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NEWS SUMMARY

# Four die as trains crash in blizzard

Four died — including two schoolboys—when two trains collided in a heavy snowstorm near Beaconsfield, Buckinghamshire. Five others were injured, three seriously. A driver and a teenage student also died.

Rescuers worked for five hours in appalling weather to free the dead and injured from the tangled wreckage.

The dead were all in the front carriage of the 7.31 am Marylebone to Banbury train, which was filled with schoolchildren.

The train crashed into the back of an empty passenger train which had left Marylebone six minutes earlier bound for Princes Risborough.

British Rail said the cause of the crash must have been either human error or signal failure. "Under normal circumstances there would not have been two trains on the same line." It will launch an inquiry today.

The crash happened during the worst pre-Christmas weather for 31 years. Temperatures continued to fall below zero and more snow and ice is forecast. Page 3, Weather Back Page.

● BR cancelled Monday's scheduled run of the advanced passenger train between London and Glasgow after continued technical faults caused by the bad weather.

## GENERAL

### Hurricane lashes Bangladesh

Thousands were feared dead and about 2m made homeless when a hurricane gusting up to 95 mph hit parts of Bangladesh and India.

Subsequent tidal waves engulfed an island off Dacca and inundated Bangladeshi coastal areas.

### New UN chief

Javier Perez de Cuellar, former chief delegate of Peru, was chosen as the next UN secretary general by the Security Council.

### Jail hostages

Loyalist prisoners who barricaded themselves in a wing of Belfast's Crumlin Road Jail are holding four warders hostage.

### Ayatollah killed

A leading Iranian clergyman and close aide of Ayatollah Khomeini, Ayatollah Abdolhosein Dastkheyb, was killed by a car bomb in Southern Iran. Page 2

### Viola deposed

Argentine President Roberto Viola was removed from office by the ruling military junta. Army commander Leopoldo Fortunato Galtieri will replace him. Earlier story Page 2

### PM strike victim

Australian Prime Minister Malcolm Fraser had to drive himself to Parliament when his official chauffeur went on strike in support of Canberra bus drivers' pay dispute.

### Hinsch verdict

Company director Ulf Hinsch was cleared at Winchester Crown Court of the manslaughter of his wife, whose body was found on Watership Down, Hampshire, in 1975, but was convicted of preventing her burial.

### Prehistoric prints

Chicago biologist Roy Mackal claims to have photographed the footprints of a living dinosaur in the Congo.

### Briefly...

Jehangir Khan, 17-year-old Pakistani world squash champion, won his own national title beating Qamar Zaman 9—4 9—2 9—7.

Rydal Lodge, near Ambleside, is the AA's Guest House of Year.

Fire bomb was found in a telephone kiosk in the north Yorkshire village of Kirby Wiske.

## BUSINESS

### Gilts fall 0.72; £ off 1.3c

● GILTS suffered a widespread setback as interest rate pressures continued. The Government Securities index fell 0.72 to 62.73. Page 20

● EQUITIES drifted lower. The FT 30-share index closed 5.3 down at the day's lowest of 520.2—a fall of 9.1 on the week. Page 20

● STERLING lost 1.3 cents to $1.8805 in London. It fell to DM 4.25 (DM 4.2625), SwFr 3.46 (SwFr 3.495) and FFr 10.805 (FFr 10.8225). Its trade-weighted index fell to 89.8 (90.3). Page 19

● DOLLAR rose to DM 2.259 (DM 2.2525) and Y219.25 (Y218.5), but eased to SwFr 1.841 (SwFr 1.845). Its trade-weighted index was 107.2 (107). Page 19

● SA RAND fell in Johannesburg to a record low of $1.0175.

● GOLD rose $4 to $411 in London. In New York the December Comex close was $406.7. Page 19

● WALL STREET was off 1.05 at 890.98 near the close. Page 16

● OPEC reduced the price of several crude oils by 20 cents to 70 cents a barrel. Back Page

● U.S. and EEC have drawn up terms for a truce in the transatlantic steel dispute. Back Page

● U.S. SENATE accepted President Reagan's compromise plan for further spending cuts of $4bn (£2.1bn) in the current budget.

● LONRHO'S lawyers and legal counsel were studying the implications of undertakings which the company must give the OFT concerning House of Fraser. Back Page

● BUILDING Society receipts fell in November to the lowest level for five years. Back Page

● TALBOT, UK subsidiary of Peugeot, offered its 5,000 car workers a 2½ per cent rise. Page 3

JOHNSON & Firth Brown, engineers, reported a pre-tax profit of £140,000 in the half-year ending September, cutting its year-end loss to £2.74m, against £5.58m profit last year. Page 17; Lex, Back Page

● BAKER PERKINS, plant manufacturer, cut pre-tax losses for the half-year ending September from £1.76m to £213,000. Page 17

# Setback to hopes of recovery as world interest rates rise

BY DAVID MARSH AND WILLIAM HALL

HOPES OF international economic recovery received a setback yesterday as interest rates rose around the world, led by a fresh tightening in the U.S. financial markets.

If the U.S. credit market pressures spill over to a further tightening in London next week, British banks may act to raise lending rates, reversing the ½ percentage point cut in base rates just over a week ago.

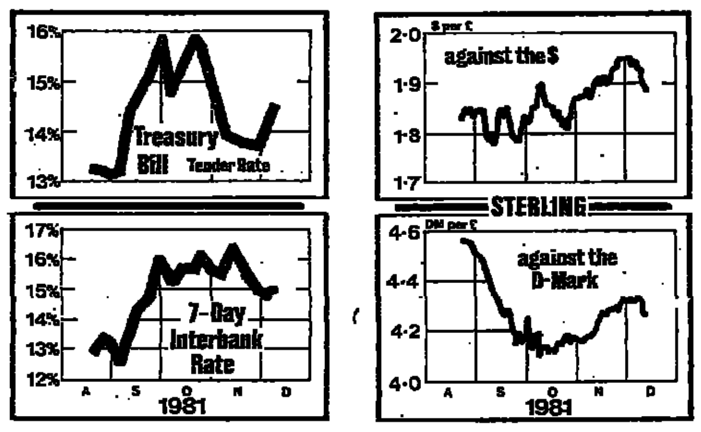
In a sharp turnround from its strength at the beginning of the month, sterling fell a further 1.3 cents yesterday to close in London at $1.8805, down more than 6 cents on the week and at its lowest for a month.

In spite of Bank of England intervention to steady the fall.

Sterling declined at one stage during trading to $1.8735. But it rallied towards the close of the European exchange markets.

Later in New York, however, it fell again as trading continued.

With yesterday's ½ percentage point rise in three month Eurodollar interest rates and worries about possible UK industrial unrest sparking off further selling of pounds, London money market interest rates finished the week sharply higher.




Interest rates also rose on the Continent. Belgium's National Bank was forced into emergency credit tightening measures to defend the Belgian franc which has come under severe selling pressure in the European Monetary System.

The latest upward spiral of U.S. interest rates has been triggered by renewed fears of a collision between the tight money policy of the Federal Reserve and high borrowing demands from the U.S. Government and private business.

British banks could be forced next week to act on their base lending rates unless the upward pressure on interest rates slackens.

In a day which saw a marked reversal of the recent international easing of interest rates:

● The average rate of discount at the weekly UK Treasury bill tender rose by 0.82 of a percentage point to 14.58 per cent.

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Belgium thwarts run on franc, Page 2
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Money markets, Page 19
Building societies hit, Back Page

# British Gas board faces cut

By Ray Dafter and Maurice Samuelson

THE BOARD of British Gas Corporation is to be reshaped as part of the Government's new approach to nationalised industries.

Mr Nigel Lawson, Energy Secretary, is scrapping two executive board appointments to strengthen the role of Government-appointed non-executive directors.

The move is in line with proposals which will be discussed by Sir Geoffrey Howe, Chancellor, at a meeting with chairmen of major nationalised industries on Wednesday.

The Government wants to reduce the size of boards and give non-executives the majority of board seats. The British Gas proposals are a move in this direction.

It is thought the positions of Mr Geoffrey Roberts, external affairs, and Mr Bryan Smith, marketing, will be discontinued when these executives retire in the next few weeks.

Mr Roberts, 55, has been a board member for 10 years. His present five year appointment expires at the end of this month. Mr Smith, 56, has been a member for almost five years. He had already decided to retire for health reasons in January. Both executives have spent their working lives in the gas industry.

It is understood that Mr Lawson is keen to change the board's balance in favour of non-executive directors from outside the industry.

Even after the proposed change British Gas will have the majority of its 14 board positions filled by gas industry executives.

Apart from Sir Denis Rooke, chairman, and Mr Jack Smith, the deputy chairman, the board will be left with three executive full-time members:

Three of the nine part-time members are filled by the chairmen of area gas boards. The remaining places are filled by former union leader Lord Scanlon, a banker and four industrialists.

# Solidarity calls for free elections in Poland soon

BY CHRISTOPHER BOBINSKI IN GDANSK AND ANTHONY ROBINSON IN LONDON

FREE ELECTIONS, which could lead to virtual annihilation of the Polish Communist Party at the polls and provoke a head-on clash with the Soviet Union, were demanded by members of Solidarity's 107-man national commission in heated debates at the Lenin shipyards in the port of Gdansk yesterday.

The demands reflected the openly radical positions being taken by Mr Lech Walesa, hitherto one of the free trade union movement's most moderate leaders, as well as by provincial leaders representing Solidarity's 10m members throughout the country.

Mr Marian Jurczyk, leader of Solidarity's Szczecin branch, said his members demanded parliamentary elections by next May.

The next elections are not due until spring 1984.

The demand for radical changes in the way the country is run was echoed by Mr Jan Rulewski, the radical Solidarity leader from Bydgoszcz, who called for establishment of a "technocratic" interim Government to run the country until elections could be arranged.

"The authorities have lost the trust of the public and ceased to be its representative. Power should be in the hands of the working people," Mr Rulewski said.

Other speakers called for "a socio-economic council" to oversee reconstruction of the economy.

Calls were heard for "active strikes" aimed at a Solidarity takeover of management functions in plants throughout the country. Speakers demanded a general strike if the Government carried on with its proposals to introduce emergency legislation banning strikes in defiance of the Gdansk agreements of August 1980.

A similarly intransigent line was taken by other speakers, who called for no compromise on union demands for access to the media and an end to Government manipulation of the news.

In the face of Solidarity protests officials of the State-run radio and television network postponed a meeting yesterday called ostensibly to reorganise management but actually to remove Solidarity members from the networks, according to union officials.

The media question was one of the points taken up by Mr Walesa, who stated: "There are points on which we are not prepared to budge, such as access to the media."

This was part of a generally uncompromising speech in which he told delegates: "We are here to win."

He warned, however, that "this is not the time to get into a brawl with the authorities. We have reached important political issues, but on the other hand people want to eat."

He insisted that none of Solidarity's demands should be interpreted as amounting to the desire for a political takeover.

His remarks were seen as a response to precisely such accusations from both the official Soviet and Polish media, which have strongly attacked Solidarity, accusing it of seeking to usurp power and bring unbridled anarchy to Poland.

The Soviet news agency TASS even went so far as to accuse Solidarity of setting up armed commando bands

Mr Walesa's implicit call for moderation was echoed in a letter from the Polish Primate, Archbishop Josef Glemp

M Pierre Mauroy, the French Prime Minister, has postponed his planned meeting with Gen Jaruzelski next week in view of the complex internal situation.

Gen Jaruzelski himself is expected to go to Moscow at the end of next week, when the Polish crisis will loom large in a Warsaw Pact and Comecon summit due then.

£ in New York

| — | Dec. 10 | Previous |
|---|---|---|
| Spot | $1.9000-9020 | $1.9120-9140 |
| 1 month | 0.39-0.36 dis | 0.45-0.40 dis |
| 3 months | 0.93-0.90 dis | 1.10-1.06 dis |
| 12 months | 1.50-1.40 dis | 1.75-1.65 dis |

# Washington isolated in row with Libyan Government

BY DAVID TONGE IN LONDON AND DAVID HOUSEGO IN PARIS

WESTERN EUROPEAN countries yesterday left Washington isolated in its quarrel with the Libyan Government, making it clear they will not back any possible U.S. sanctions.

France abruptly dismissed U.S. criticisms of Libya. Britain also distanced itself from U.S. concerns.

In Paris, the French Foreign Ministry said it believed "the attitude of the Libyan Government is no longer one of external destabilisation." France would try to "return progressively to normal relations" with Libya. In July it allowed the sale of 10 fast gunboats to Libya to go through.

Lord Carrington, the Foreign Secretary, said Anglo-Libyan relations had gone through "a difficult period but they're all right now."

Britain and France were among the EEC countries which welcomed Libya's withdrawal of its 11,000 troops from Chad last month. They are pleased at a slight improvement in Libya's relations with Egypt. They also believe that U.S. attacks on Col Gadaffi have only added to his standing in Arab eyes, even if Libyan attempts to rally practical Arab support seemed to have failed.

The Libyans asked Opec Foreign Ministers meeting in Abu Dhabi to take "joint action" against American oil companies which withdraw from Libya. Resistance from other members, however, meant that this was deferred for consideration by a committee.

Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, was quoted as saying: "This is a political issue and Opec is not the forum for it." Senor Humberto Calderon Berti, Venezuelan chief delegate, dismissed Libyan pressure in similar terms.

Nevertheless, Libya's demand for solidarity proved to be a major embarrassment as Ministers of the leading petroleum exporters sought to obtain agrement on a rational price structure.

The U.S. State Department yesterday told oil company executives that President

Continued on Back Page
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# New deadline for Laker debt

BY ALAN FRIEDMAN

SIR FREDDIE LAKER'S battle to win the rescheduling of his airline's $300m (£160m) of outstanding dollar debt has run into serious difficulties, according to bankers involved in the company's major loan syndicates.

In Washington, Eximbank—the U.S.-Government backed bank which led a syndicate to provide $228m of finance for the purchase of five McDonnell Douglas DC-10 aircraft—yesterday declared a new deadline of January 6 for the repayment of $12.6m of principal owed by Laker Airways.

Eximbank said last night that although it had offered a 12-month debt rescheduling package to Laker Airways, the offer was conditional on other Laker creditors achieving a rescheduling agreement by yesterday.

The Eximbank deadline was extended last night so the Midland Bank-led syndicate might achieve its rescheduling package. If the Midland syndicate does not agree, Eximbank could demand payment on January 6.

Eximbank said: "If we had not delayed today's payment Laker would have been in default. We are hopeful that we can reach an agreement with the other syndicates."

Eximbank syndicate members have been "discouraged" by the reluctance of three Midland Bank syndicate members — Dresdner Bank, Bayerische Vereinsbank and Creditanstalt Bankerein—to agree to reschedule the $131m lent to Laker Airways for the purchase of three A-300 airbuses from Airbus Industrie.

In London it emerged that the West German and Austrian banks are demanding, as a condition of their approval of rescheduling, that Airbus Industrie shoulder a major part of the risk involved in the airbus debt so their own risk is minimised.

Airbus Industrie, which is 20 per cent owned by British Aerospace, has already agreed to shoulder some of the risk on the airbuses purchased by Laker Airways, but the West German banks are seeking a substantial increase in this.

Mr Bernard Friend, finance director of British Aerospace, said: "We entered into a deal when the airbuses were sold that there would be a certain recourse to the manufacturer if the banks suffer a loss. The Midland Bank, as leader of the syndicate, must sort out what additional cover they are seeking."

Mr Friend said the manufacturer had honoured its commitments. Regarding the prospect of providing additional special cover to the West German banks, he said: "I don't think we would want to favour or give preference to any single bank within that consortium."

Midland Bank said last night: "There is no question of any special treatment for a member of the Midland syndicate. We must resolve this as a collective effort."

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| | | |
|---|---|---|
| **RISES** | | |
| Guinness Peat | 100 | + 4 |
| Hunslet (Hldgs.) | 225 | + 40 |
| Ldn. & Cntl. Advtg. | 20 | + 2½ |
| Ldn. & Ovrs. Fghts. | 55 | + 3½ |
| Security Centres | 122 | + 5 |
| Sothebys | 410 | + 15 |
| Town & City | 30½ | + 2½ |
| Ward (T. W.) | 216 | + 8 |
| Gopeng | 575 | + 25 |
| HK Tin | 400 | + 35 |
| Killinghall | 600 | + 25 |
| Randfontein Ests. | £33 | + 1 |
| **FALLS** | | |
| Exch. 11¾% 1986 | £86¾ | — ¾ |
| Treas. 12¼% 1992 | £88 | — 1 |
| Aerontel. & Gen. | 200 | — 15 |
| Belgrave (Blck'th.) | 13 | — 3 |
| Bishops A | 92 | — 8 |
| Butterfield - Harvey | 23 | — 3½ |
| Cable & Wireless | 204 | — 6 |
| GEC | 783 | — 9 |
| Grand Met. | 178 | — 6 |
| Lloyds Bank | 430 | — 10 |
| Racal Elect. | 413 | — 7 |
| Redfearn Nat. Glass | 121 | — 4 |
| Ryl. Bk. of Scotland | 182 | — 4 |
| Scot. & Newcastle | 48½ | — 3½ |
| Tilling (T.) | 138 | — 6 |
| BP | 326 | — 8 |
| IC Gas | 202 | — 8 |
| Shell Transport | 410 | — 6 |
| Gadek | 84 | — 11 |
| Tara Exploratn. | 525 | — 30 |

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For latest Share Index phone 01-246 8026

# OVERSEAS NEWS

## Capitalism eats into roast yak price

By Alain Cass, Asia Editor

Capitalism has hit the roof of the world. This momentous news comes from a western explorers in Tibet recently who were trying to hire yaks to carry their equipment into the upper reaches of this remote corner of the Chinese empire.

They were told that they could not rent yaks but would have to buy them instead. This they did, not being in a very strong bargaining posture at the time with a ton or two of equipment, lying around.

In the course of their journey one of the animals died and the mountaineers decided to make the most of a bad job and ordered up the local speciality — roast yak. Their Chinese hosts, however, explained that owning the departed beast did not entitle them to eat it. To do that they would have to buy the meat all over again.

Will the Chinese now go to any lengths in their insatiable hunger for foreign exchange? The answer is almost certainly "Yes," as an increasingly large number of foreigners living in Peking or doing business with China are discovering to their rising cost.

Many of the costs appear to be forms of indirect taxation. Take, for example, the salary of the ubiquitous Chinese interpreter who costs around Yuan 600 a month ($400) but gets only a fraction of this as his salary. Where does the rest go?

Foreign delegations taken round China are charged a lump sum for travel, hotels, food and "administrative expenses." Not infrequently the foreigner is being charged—especially in the provinces—up to 20 per cent more than the cost to the host organisation. Where does the difference go?

Foreigners in China must conduct their lives in a sort of financial limbo. They use a separate currency called Foreign Exchange Certificates which can be used only in certain designated stores and for certain services. They pay higher air fares, higher train fares, higher hotel charges, higher almost anything than the Chinese. This can vary, however, depending on whether the foreigner is an overseas Chinese, from a "fraternal" country or from the West.

Telephone and telex charges are much higher for calls initiated from China. Rents leapfrog. Five rooms in Peking now cost Yuan 30,000 a year against Yuan 10,000 last year.

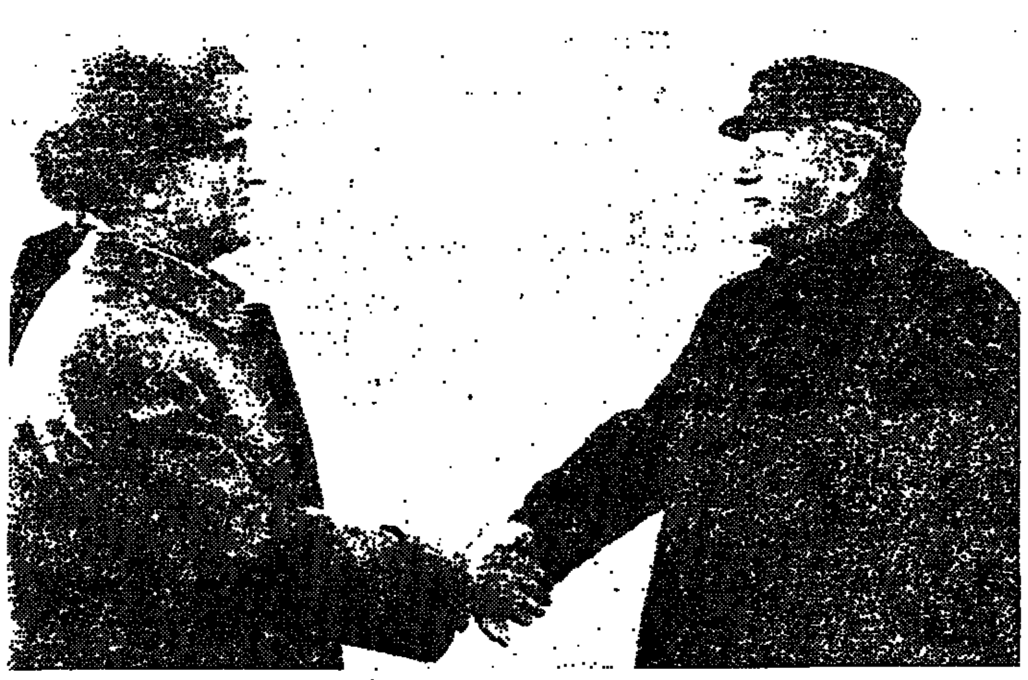
The increases are far above the official Chinese inflation figure of around 6 per cent (twice that in reality). The Chinese justify this by saying that their own officials have to pay high prices abroad so why not foreigners in China?

They also say that foreigners benefit from state subsidies in the services sector to which they are not officially entitled. (Should Chinese diplomats therefore benefit from the new flat rate bus fares in London?)

Some foreigners are beginning to complain, muttering darkly of rent strikes. But most will just grin and bear it. "We're a captive market," one remarked ruefully.



Jonathan Carr and Leslie Colitt in East Berlin report on the opening of the Schmidt-Honecker meeting



HISTORIC MEETING — Herr Erich Honecker welcomes Herr Helmut Schmidt to East Berlin. The talks began last night

## Red faces at German summit

THE FIRST official East-West German summit for 11 years has begun with smiles all round—and a technical hitch.

Chancellor Helmut Schmidt's Luftwafe jet flew into East Berlin's Schoenefeld airport yesterday afternoon on time—but then the trouble began.

Officials gathered beside the red carpet gaped with dismay when it emerged that the steps being pushed against the aircraft were not high enough to permit Herr Schmidt to descend.

Herr Erich Honecker, the East German state and Communist Party leader, saved the day by strolling good-humouredly across to reporters, and assuring them all would be well if they would just be patient.

The mistake was sorted out, and Herr Schmidt descended, smiling broadly, to take Herr Honecker's outstretched hand. "I see you have already managed to get the general secretary off the red carpet," he called out to the Press, as cameras clicked to record a historic moment in intra-German relations.

It is the first formal summit between the two German states since 1970, when Herr Willy Brandt was Chancellor and Bonn's "Ostpolitik" was just beginning. It is also the first time Herr Schmidt and Herr Honecker have met on German soil, though they have twice had informal talks in Helsinki and Belgrade.

There was no welcoming speech, no band playing and no military parade. Only the red-black-and-yellow of the flags of the two countries fluttering in the falling snow, lent a touch of colour

The absence of ceremonial reflects the fact that major differences still exist between the two states

Herr Honecker, for example, is certain to repeat to Herr Schmidt his demand that Bonn recognise a separate German Democratic Republic (East German) citizenship. West Germany continues to maintain that is is constitutionally bound not to do this.

The East German Press yesterday carried pictures and biographies of Herr Schmidt, on their front pages. East German television carried live Herr Schmidt's arrival both at the airport and at the hunting lodge of Hubertstock, north-east of Berlin.

East Germany has publicly said nothing about what it hopes to achieve in the talks, but it has told workers that the main theme will be "securing peace" in Europe

This will cast gloom on hopes East Germans might have of the meeting leading to some of them being allowed to visit West Germany below retirement age.

## Haig pledge of talks on arms reduction

By Bridget Bloom in Brussels

THE NATO alliance ended a week of meetings in Brussels yesterday with an assurance from Mr Alexander Haig, the U.S. Secretary of State, that strategic arms reduction talks with the Soviet Union would be held early in the New Year.

Mr Haig was speaking after the Nato Ministerial Council yesterday and said he expected to fix the date for the talks when he met Mr Andrei Gromyko, the Soviet Foreign Minister, in Geneva on January 26 and 27.

The U.S. expects the talks—to be called Start, emphasising the aims to reduce, rather than as under the previous Salt talks, merely to limit, strategic weapons—to run in parallel with those which opened in Geneva 10 days ago on intermediate-range weapons in Europe.

Yesterday's Foreign Ministers' meeting ended on an upbeat note following the disarray into which Greek demands plunged Nato's Defence Ministers earlier this week.

The demand by Greece's new Socialist Government that Nato should offer it a formal guarantee of its eastern frontier with Turkey was barely mentioned during the Foreign Ministers' discussions, and although Greek objections delayed yesterday's communique, many ministers expressed a belief that the alliance was more united on fundamentals.

The major reason is, without doubt, the resumption of arms control talks between the super powers, which ministers believe will ease the pressure from disarmament movements.

Yesterday in a separate declaration, the alliance reaffirmed that employment of the new U.S. Cruise and Pershing missiles in Europe could "only be altered by a fair and effective arms control agreement."

In their communique, ministers referred to the political debate on nuclear weapons in Europe and declared that unilateral western disarmament would only serve to give the Soviet Union an overwhelming military advantage.

The need was for "a stable balance of forces in Europe" albeit at the "lowest possible level."

Ministers yesterday expressed concern that Greece might again try to disrupt Nato proceedings.

While many delegates said they were still unclear as to whether the new Greek Government was primarily playing to its electoral gallery or whether it really was threatening to leave the military wing of Nato unless its demands were met, there are fears that it may withhold the ratification of Spanish membership.

## Iran claims border success as rebels kill Khomeini aide

BY PATRICK COCKBURN

THE Iranian army has launched a heavy counter offensive against Iraqi forces in the mountainous central part of the battle front, and Tehran Radio claimed yesterday that the Iraqis had lost 1,000 dead and 200 prisoners.

At the same time anti-Government guerrillas in Iran have proved they are still active by assassinating a leading clergyman, Ayatollah Abdolhossein Dastkheyb, a close aide to Ayatollah Khomeini in the southern city of Shiraz.

The Iranians have taken advantage of the beginning of the winter rains to launch a series of heavy assaults against Iraq. The first attacks, at the end of November, were made by Revolutionary Guards in Khuzestan, but yesterday's assault was led by the regular army, according to diplomats.

Iran is believed to have suffered heavy casualties in the attacks, but diplomats say that Iraqis are losing much heavy equipment because of the difficulty of withdrawing through thick mud and heavy rain. The Iraqis have so far lost 7,000 prisoners in the 14-month war.

Iraq has tried to limit the casualties suffered by its own forces over the last year by not launching any offensives and digging in its troops. But Iranian forces are beginning to threaten Khorramshahr and Qasr-e-Shirin, the last two Iranian towns in Iraq hands, and it is unlikely that the Government in Baghdad will allow these to fall without a fight.

Meanwhile the killing of Ayatollah Dastkheyb is the most significant assassination in Iran for some months. He is believed to have died along with six Revolutionary Guards when a girl who approached him just before Friday morning prayers blew herself up with grenades.

Ayatollah Dastkheyb was one of the half-dozen religious figures in Iran closest to Ayatollah Khomeini. He was regarded as particularly powerful outside Tehran and his death will be a serious blow to the Government.

## Viola under pressure to resign

By Jimmy Burns

ARGENTINA'S ruling military junta met in closed session yesterday afternoon amid reports that it had asked for the resignation of President Roberto Viola and his replacement by General Leopoldo Galtieri, the hardline army commander.

The junta is reported to have made its request following a series of meetings this week between General Viola and leading army officers, including General Galtieri.

General Viola stepped down temporarily last month after being taken ill with a complicated heart condition, when General Horacio Liendo, the Interior Minister, became interim president.

The expected ascendancy of Geenral Galtieri could lead to major changes in the structure of the regime.

The Argentine presidency is subordinate to the three-man junta which holds supreme legislative and executive power. Gen Galtieri is one of its members and is believed to have made it clear that he intends to retain his army command if he becomes president. Such an accumulation of responsibilities would give him greater power than either of the two military presidents since the 1976 coup and would elevate him to a position similar to that of Gen Augusto Pinochet in Chile.

It was not clear yesterday to what extent the resignation of Gen Viola might affect the unity of the armed forces, and the stability of the country at large.

Criticism of Gen Viola has been mounting in recent weeks, largely because of his failure to contain the rapidly deteriorating economy, but his supporters see him as a moderate who has opened up a dialogue with the political parties. They believe his replacement could lead to a return to the repression pursued following the 1976 coup which toppled the civilian presidency of President "Isabelita" Peron, widow of the late General Person.

## Sakharov appears to have won Alexeyeva's freedom

BY DAVID SATTER IN MOSCOW

DR ANDREI SAKHAROV, the Soviet human rights leader, appears to have secured the freedom to emigrate for Liza Alexeyeva, his daughter-in-law, who has been told that she may leave for the West next week.

In telegrams to Miss Alexeyeva from Gorky, Dr Sakharov's place of exile, he and his wife, Yelena Bonner, said: "We are happey beyond words, we are well and getting better."

Miss Alexeyeva said she would leave for Gorky yesterday to see the Sakharovs' who gave up their hunger strike on Tuesday night, according to the telegrams.

The telegrams were the first direct communication between the Sakharovs and Miss Alexeyeva since they were taken to Gorky last week.

Miss Alexeyeva said after a meeting at the Moscow region visa office that she had been promised her travel papers on Monday, which will enable her to join her husband, Alexei Semyonov, Miss Bonner's son by a first marriage in the U.S.

The couple have been engaged for three years and were married by proxy in June. Miss Alexeyeva had met bureaucratic obstacles and official refusals when she tried to leave the Soviet Union to join him before the Sakharovs began their hunger strike last month.

A week ago, the Soviet Government newspaper Izvestia ruled out the possibility of her receiving permission to leave and dismissed the hunger strike as a trick and a political provocation.

The crucial factor in the Soviet Government's decision to make stunning public concession to the Sakharovs apears to have been their conviction that Dr Sakharov was prepared to carry through his hunger strike.

His death under such circumstances would have provoked a strong anti-Soviet reaction in the West that might have led to the collapse of the Madrid European security conference and a sharp cut in scientific contacts which the Soviet Union values highly.

While Dr Sakharov's hunger strike was going on, Western government's condemned Moscow's treatment of the 60-year-old physicist, who was exiled to Gorky in January, 1980.

LIZA ALEXEYEVA . . . promised travel papers on Monday

In his telegram to Miss Alexeyeva, Dr Sakharov said that he wanted to use her case as a symbol of the right of all people to leave the Soviet Union if they wished.

Miss Alexeyeva met a KGB official yesterday who told her she was free to go to Gorky. She said that she was relieved by the decision to allow her to leave the Soviet Union but her first thoughts were for Dr Sakharov. She said the KGB official told her that he would be well enough to see her yesterday.

## Syrian troops patrol after Lebanon car bomb deaths

BY IHSAN HIJAZI IN BEIRUT

SYRIAN TROOPS of the Arab League deterrent force patrolled the streets of the port city of Tripoli and other parts of Northern Lebanon yesterday after large-scale violence during the past 24 hours.

Eyewitnesses said the mainly Moslem city often referred to as the Country's second capital was totally shut down after 12 people had lost their lives and 75 others were wounded in a car-bomb explosion on Thursday.

The car, reportedly loaded with a large quantity of explosives, went off in front of a coffee shop in the popular quarter of Baal Mohsin. The attack provoked clashes between militias and rival factions in the neighbouring quarter of Bab al Tabbanah.

Lebanese gendarmes backed by Syrian units have also moved into the village of Edbel in the district of Akkar, north-east of Tripoli, after a family of 11 people was murdered in their homes by masked gunmen. Yesterday, the bodies of five other people were found in an abandoned car in Akkar.

The tension there was attributed to friction between rival Christian families. A group calling itself "The arm of the Revolution," claimed responsibility for the Edbel murders, saying that the people killed were associated with the right-wing Phalange Party.

## Belgium thwarts run on franc

BY LARRY KLINGER IN BRUSSELS

THE Belgian Central Bank raised its interest rates a full two points yesterday in answer to speculators who caused a run on the franc amid rumours of a devaluation over the weekend.

Pressure on the franc, which until this week had remained comfortably within its central EMS range in spite of Belgium's continuing political and economic crisis, increased suddenly yesterday.

But after a hectic opening, prompted, according to bankers and foreign exchange dealers, by the devaluation rumours, the exchange markets calmed considerably following the central bank announcement.

The latest increase brings the rates back almost to the record levels of last spring when there was a sustained run of international speculation against the currency.

But Belgian policy is historically opposed to devaluations, and it has consistently turned back speculative runs against the franc. It has devalued only twice in recent history, both times shortly after the last war.

Meanwhile Prime Minister-designate Wilfried Martens is expected to continue his efforts over the weekend to form a new centre-right coalition following the inconclusive general elections of six weeks ago.

Mr Martens, the veteran Prime Minister of four recent administrations, is expected to announce by Sunday whether he is able to form a new government with a coalition of his own centrist Christian Democrats and the conservative Liberals.

He was asked by King Baudouin on Monday night to try to form his Government following the collapse of two previous attempts by Mr Willy de Clercq, the Flemish Liberal leader, and Mr Charles-Ferdinand Nothomb, Foreign Minister in the outgoing government.

The outgoing Christian Democrat-Socialist coalition led by Mr Mark Eyskens continues in a caretaker role, but is unable to tackle on a long-term basis the deepening economic crisis, which centres on a worsening balance of payments and rapidly growing public debt.

## Deadlock hope at Madrid talks

By Robert Graham in Madrid

NEUTRAL and non-aligned states at the conference on security and co-operation in Europe (CSCE) are making a desperate attempt to break the East-West deadlock which threatens to wreck chances of even minimal progress here at this meeting.

The conference was due to end in March but has been prolonged by serious differences between Nato and Warsaw Pact

The two blocs remain almost as far apart now as when the meeting first began in full session in November 1980. The conference is being held to review implementation of the 1975 Helsinki Final Act

## Fujitsu fibre bid complaint

By Paul Cheeseright

FUJITSU, Japan's largest computer company, is taking its complaint about a rejected bid to supply American Telephone and Telegraph (ATT) with $75m of equipment for an optical fibres communications project to the U.S. Federal Communications Commission.

Details of the complaint will be filed on Monday, Fujitsu said yesterday. Its bid was rejected in favour of a tender by Western Electric, an ATT subsidiary. The decision was made in the U.S. national interest, ATT said.

Fujitsu claims that its bid was both cheaper and technically superior. It has already stated that if the FCC accepts ATT's view that the grant of the contract to Western Electric is in the national interest, Japan should invoke national security in its consideration of foreign bids for telecommunications equipment.

## Muldoon names Cabinet

PRIME MINISTER Robert Muldoon yesterday named Mr Warren Cooper, a former Postmaster-General, as New Zealand's new Foreign Minister, Reuter reports from Wellington. The appointment of Mr Cooper, 48, was the major surprise in the Cabinet announced following the general election.

His main task will be to handle New Zealand's continuing negotiations wth the European Economic Community over trade access to Common Market countries.

As expected, Mr Muldoon will retain the finance portfolio he has held since coming to power six years ago.

The cabinet list contains three ministers not previously members of a government—Mr Rob Talbot (Tourism), Mr Jonathon Elworthy (Lands, Forests) and Mr John Falloon (Postmaster-General).

## Zimbabwe MP held over 'coup plot'

SALISBURY—A white Zimbabwean MP detained by police on Thursday is alleged to have plotted the overthrow of Mr Robert Mugabe's 20-month black Socialist Government.

Mr Wally Stattaford, a retired worker in his 60s, was held by police in Bulawayo and transferred to Salisbury, his wife June said.

Mr Stattaford is one of 20 members of the Republican Party, led by Mr Ian Smith, former Prime Minister, who hold all-white reserved seats in the 100-strong House of Assembly.

A spokesman for Mr Mugabe said police were investigating allegations that Mr Stattaford "and others" were "conspiring to overthrow" the Government. The statement said "other political elements," who were also not named, were involved in the plot.

Mr Stattaford is expected to appear in court under the emergency powers regulations. He could be sentenced to death if convicted.

## Malta shooting

A MEMBER of Malta's opposition National Party was critically wounded last night on the eve of today's general election. The wounded man was a campaign assistant of Dr Josie Muscat, a Member of Parliament, who was also shot at, David Tonge writes.

## Irish employers may support incomes policy

By Brendan Keenan

LARGE NUMBERS of Irish employers may support a prices and incomes policy, if the Government moves to introduce one. It is one option being discussed in Dublin after the failure of centralised wage negotiations.

A pay and prices policy has ben advocated by Prof Louden Ryan of Trinity College, Dublin, as the only cure for high Government borrowing and balance of payments deficits. Prof Ryan said he doubted if other solutions, such as devaluation, indexation, or higher productivity would cure Ireland's inflation problem.

The Republic already has the mechanism for such a policy in the long-established National Prices Commission.

In the absence of a national agreement, the Government could, in theory, fix a limit and instruct the Commission not to allow wage costs above this limit to be passed on in prices.

Some such mechanism was implicity in Dr Garrett FitzGerald's pre-election manifesto, which proposed the establishment of a pay norm. His Government has departed from that in its efforts to get a national agreement, but may have to revive the ideas as a way of curbing excessive wage settlements.

## U.S. 'must link economic plan with Europe'

BY JAMES BUXTON IN ROME

THE U.S. must co-ordinate its economic strategy with the European countries to permit a strong recovery by the industrial countries and to avoid economic conflict. This was stated at the second day of the **Financial Times Business Forum** in Rome yesterday by Sig Nicola Capria, the Italian Minister of Foreign Trade.

EUROPEAN BUSINESS FORUM

The U.S. monetarist strategy had not just seriously affected Europe through high interest rates and the dollar shock—there was also a danger that when the European economies recovered, which he foresaw for the second half of next year, the U.S. economy would not be permitted to expand with them. This had not happened since the war and had "no possible justification," the Minister said.

A recovery led by Europe was a worrying thought for governments and businesses on the continent. Every country, he said, had the right to deal with its economic problems as it wished, but sometimes this just led to one country transferring its problems to another.

Sig Luciano Lama, head of the Communist Party-oriented CGIL union federation, called for the creation of a European monetary fund and of a European currency in order to strengthen Europe's position in world affairs.

In a speech read on his behalf, he said the fund would have the task of intervening to defend the rate of the ECU (European Currency Unit) against the dollar. The currency should also be used to pay for European imports, especially oil imports, to free Europe from dependence on the dollar.

Sig Lama believed that the problem of unemployment was the top priority for the EEC and the budget should be increased to deal with this.

Herr Winfried Spaeh, general manager of the Dresdner Bank, said that the financial markets in the West were fully capable of raising the funds required by Western industry. But whether the funds raised would be big enough and cheap enough to enable industry to remain competitive, or even increase its competitiveness, depended on governments cutting the funds they absorbed from the market to the levels of the 1960s and early 1970s.

The best thing that could be done for national savings in Western countries would be for governments to produce budget surplus but "realistically," he said, "we would be most grateful if our governments would just manage to stop further increases in our budget deficits, maybe produce a small reduction."

In both West Germany and the U.S., the corporate sectors share of financial market funds was dropping, while that of governments was rising. Since 1975 the size of the public sector deficit for six Western countries had risen from about 1 per cent of GNP to 3.5 per cent. This was roughly parallel to the drop in net investment over the same period.

Sig Claudio Signorile, the Italian Minister for the Mezzo-Giorno or South, said that southern Italy was a reservoir of resources which were not being realised. It would supply 1.4m out of 1.9m of Italy's new workers in the decade to 1991.

Dr Nino Novacco, chairman of IASM, Institute for Assistance in the Development of southern Italy, explained the incentive given to foreign concerns for investing in southern Italy. The new law to come into force to assist the South would have a multiplying effect on economic development.

Mr Ivor Richard, member of the EEC Commission, explained the Community's industrial, regional and social policies against a background of very fast rising unemployment. He said he expected the Common Agricultural Policy to absorb a slightly smaller proportion of EEC funds, which would leave more to fight unemployment.

He said it was essential to have an economic policy based on Community preference as opposed to national preference to give the EEC the economic strength of the U.S. and Japan.

The regional fund would be used to correct regional imbalances resulting from this. The social fund should concentrate on the areas of highest unemployment which would require a change of emphasis from its present structure.

Mr William Sullivan, former U.S. Ambassador in Vietnam and Iran analysed the foreign policy problems facing the Reagan Administration. He said that a key factor was the rise of sectional interest groups in U.S. politics and of pressure groups inimical to the liberal tradition of U.S. foreign policy.

One could not be completely certain that a White House that did not have much experience of foreign affairs would keep U.S. foreign policy on its traditional course. Europe, he said, should look on the U.S. as a threat, but one which might occasionally need discreet counsel given in a friendly way.

Sig Emilio Colombo, the Italian Foreign Minister, analysed the foreign policy problems affecting the EEC countries. He explained the Italian and West German policy for achieving a European Act under which all EEC members would commit themselves to a more dynamic approach to European integration, leading to European union.

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# Call to reward employers for low pay deals

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

AN INFLATION tax of the type being considered by the Social Democratic Party should be accompanied by handouts to companies which curb wage increases, the man who developed the idea, Professor Richard Layard, said yesterday.

Professor Layard, of the London School of Economics, said arrangements would be needed to prevent companies being penalised for agreeing a high wage settlement in one year after a low increase the previous year.

In a lecture to the Institute of Fiscal Studies, he said that a negative rate of tax (a subsidy) would need to be applied to companies with very low settlements in order to even out the ups and downs between years.

The main purpose of the tax would be to reduce the rate of increase of wages and Professor Layard said this would help reduce unemployment.

It would be levied only on companies with more than 100 employees. They would pay tax on the amount by which the hourly earnings of their employees exceeded a norm set by the Government.

However, the full amount of the tax would be restored to the companies in the form of a rebate which would be proportional to the total wage bill of each company.

Thus, companies paying wage increases above the norm would pay more tax than they received in rebate, while those with lower wage settlements would gain from the system. The company sector as a whole would neither gain nor lose from the arrangement, but each company would be given an incentive to achieve a lower than average pay settlement.

The "negative tax" proposed by Professor Layard yesterday would be an additional bonus for companies in years of low settlements.

He suggested that the rate of tax should be 100 per cent, so that companies could make double the saving they would otherwise achieve by holding down wages.

He said some critics of the idea had suggested that the inflation tax would stiffen the backbone of employers, but would have no effect on unions.

However, he believed that unions would realise that a tax on high wage increases and a subsidy for companies paying low increases would make the number of jobs provided more closely linked to the level of pay settlements.

"This in turn will make unions more cautious about pushing their luck. For the tax will effectively have reduced the monopoly power of the unions", he said.

He believed that if the tax was confined to companies with more than 100 workers, the administrative burden on the Inland Revenue need not be too great. About 20,000 companies would be involved in auditing the tax.

Because the tax would be calculated by comparison with hourly rates a year previously, companies would need a "dry run" of a year before the tax was introduced. In this period a conventional incomes policy would need to be imposed.

# Transport crippled by severe weather

By Gareth Griffiths

LARGE PARTS of the country suffered severe traffic disruption because of ice and snow, particularly in the Midlands and the South.

Several hundred factories had their gas supply cut off in order to meet increased demand from other customers because of the cold weather.

Rail services were badly hit with delays of up to an hour for services out of Euston to York and the north, heavy delays in the Midlands and the South West and very few train services in the Eastern Region.

Motorways in the Midlands and the South operated with speed restrictions of 40 miles an hour for traffic. The Automobile Association said traffic had been light but heavy snow in the Cotswolds had blocked traffic.

Freezing fog in Scotland reduced visibility to only 50 yards on the Borders and there was a 40 mph speed restriction on the Forth Bridge.

Commuters in London faced considerable delays yesterday morning and evening. London Transport operated about 85 per cent of normal services.

Heathrow opened yesterday afternoon and handled about 20 per cent to 25 per cent of normal traffic.

Gatwick Airport was closed for part of the day. Several provincial airports were either closed all day or out of action for several hours.

The severe weather has been caused by high pressure over Greenland. More snow is likely over the weekend.

## Fibre price increase

Monsanto is to increase the price of its Acrilan acrylic fibre in the UK for the second time in two months. On January 1 it will rise by 15 per cent to 20 per cent following a 5 per cent to 10 per cent increase at the end of October.

ICI Fibres announced three weeks ago that it will raise all its fibre prices by between 10 per cent and 18 per cent at the start of next year.

Acrilan is the only product Monsanto of the U.S. makes in Europe. The company says the price rises are necessary to cover increases in the cost of the petrochemical raw materials.

## Damages for miner

MR RICHARD SHUFFLEBOTHAM, a Staffordshire miner, was awarded £40,493 compensation yesterday for injuries received in an underground accident seven years ago.

Damages against the National Coal Board had been agreed at £60,746. But Deputy High Court Judge Richard Tucker ruled at Stafford Court that Mr Shufflebotham was one-third responsible for the accident.

Mr Shufflebotham received fractures to his face, jaw, head and skull. He lost his senses of taste and smell. He was injured almost one mile underground when an arch he was removing sprang apart and hit him.

## Sweet words

Mrs Margaret Thatcher yesterday praised the British Sugar Corporation for its plans to spend £14m modernising a sugar beet processing factory.

During a tour of the factory at Allscott, near Shrewsbury—which produces 45,000 tons of sugar a year, she said: "We are always asking for industry to spend more on capital investment, and here you are doing it. This is good news for you, good news for us and good news for Britain."

## Jobs for S. Yorks

MORE THAN 100 jobs are to be created for South Yorkshire's worst unemployment black spot.

Gerrard Industries, which switched its head office from London to Kilnhurst, near Mexborough, eight years ago, said yesterday that it is also transferring its engineering and tool production to the same site as part of a cost-cutting exercise.

## Channel plans

THE British Rail/European Channel Tunnel Group partnership yesterday presented its joint plan and financial proposals for a privately financed £800m rail tunnel between Dover and Sangatte to Mr David Howell, the Secretary of State for Transport.

The plan envisages a six metre rail-only tunnel, with a larger option if required and supported by the British and French governments.

## Kitchenware closure

TAUNTON VALE Industries, the biggest employer in Wiveliscombe, Somerset, closed yesterday and 72 employees lost their jobs.



# Talbot offers 2½% pay increase to 5,000 car workers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

TALBOT, the UK subsidiary of Peugeot of France, has offered its 5,000 car workers a 2½ per cent pay increase in response to their demand for a substantial rise.

Union leaders have rejected the proposals but hope for some improvement in talks scheduled for Friday.

"We want a respectable not an insulting increase," one senior steward said last night.

In addition to the 2½ per cent rise, due on January 1, the company offered to consolidate into basic pay around £2.50 of bonus earnings currently running at between £10 and £15 a week. The present basic pay for a production worker is £97.

Talbot claims productivity increases of up to 40 per cent over the past two years under the self-financing incentives scheme. The company has refused union demands to introduce a 39 hour week.

Workers seem unlikely to favour militant action, given Talbot's situation and high unemployment in Coventry where most employees are located.

The company, which closed its factory at Linwood, Scotland, earlier this year with the loss of 4,500 jobs, suffered a £46m loss in the first six months.

Around 1,900 employees at the Stoke engine factory, Coventry, have been laid off until after Christmas because of temporary problems with the £100m a year contract to supply car kits for assembly in Iran.

Kit stocks have built up because of shipping difficulties and shortages of components made in Iran.

Mr George Turnbull, Talbot chairman, is confident the company will become profitable in 1982. The Horizon car, previously imported from France, will be assembled at the Ryton factory, Coventry, in the new year.

The Talbot offer has clearly been influenced by developments elsewhere in the UK motor industry. The company deliberately negotiated an 18-month deal last time, to put itself at the end rather than the beginning of the industry pay round.

BL workers have settled for a basic 3.8 per cent rise and Vauxhall for 5 per cent. Ford workers have voted for an all out strike from January 5 unless the company improves its 7.4 per cent offer.

# Land-Rover 'will end year with net profit'

By Kenneth Gooding

LAND-ROVER, BL's four-wheel-drive vehicle subsidiary, will finish 1981 with a net profit, Mr Mike Hodgkinson, managing director, said yesterday.

Last year the company was unofficially estimated to have made £40m on sales of £350m and to have been one of only two UK-based BL offshoots to record profits—the other was the Unipart spare-parts subsidiary.

Mr Hodgkinson said the 1981 achievement was due mainly to two factors: the four-door Range Rover introduced in July and the drop in sterling's value.

"We have been working more efficiently to increase productivity and quality and to ensure that we are flexible enough to deliver important export orders on time. It proves that British companies can be successful in the face of massive Japanese competition in overseas markets."

He said that Continental business had risen by nearly 30 per cent this year, compared with 1980, with sales of 6,300 Land-Rovers and more than 4,000 Range Rovers worth £75m—excluding tax and military sales.

Land-Rover also won £75m of business in the Middle East this year plus £19m of spares demand to benefit UK component suppliers. Middle East vehicle orders last year were worth £45m.

In six weeks since the four-door Range Rover was launched in the Middle East 800 have been sold taking the 1981 total of Range Rovers delivered to the region to 2,800 against 1,650 in 1980.

Orders from Africa this year were worth £75m and involved 15,000 units.

Mr Hodgkinson said the recently announced agreement with Pernas Sime Darby to form Land-Rover Malaysia—in line with Malaysian government policy—would consolidate Land-Rover's position in a market where this year 2,500 vehicles worth £12.5m had been sold.

The four-door Range Rover had been well-received in the UK and "with an ambitious new model programme for 1982 we are looking forward to even greater success next year."

# Report criticises woollen garment industry

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

BRITISH manufacturers of woollen and worsted garments are taken to task in a report just published, which states that although they enjoy cost advantages over competitors in France, West Germany and Italy they have failed to use this for their own benefit.

The cost advantages come through lower wages and social costs. In spite of these, a combination of low productivity, unsatisfactory design and inadequate marketing, selling and servicing, have diminished British competitiveness with even the high-cost countries.

The fault does not lie uniquely with Britain. The UK industry also suffers from other factors the report says. Textiles in some EEC countries receive State assistance to reduce costs and many goods enter Britain under a fraudulent system by which their country of origin is fudged. UK textiles also suffer from outward processing by some European countries.

The report, prepared by Werner International, a Brussels-based firm of consultants specialising in textiles, was commissioned by the Department of Industry

The report makes it clear that the EEC has produced no effective policy for a viable textile industry

The report finds that since 1974 production of finished woollen and worsted fabrics has dropped 26 per cent in Britain, remained static in France, remained virtually static in Germany (a rise of 1 per cent was noted) and jumped by 34 per cent in Italy.

In France the sector has been "protected" by the inherent chauvinism of the French consumer.

In Germany, the textile and clothing industries have benefited from the strength of the economy and are all but competitive with other EEC members, despite high wage costs.

In Italy, the industry is a mixture of successful private enterprises and State-supported concerns.

*An Investigation into the Woollen and Worsted sector of the Textile and Garment making Industries in the United Kingdom, France, Germany and Italy. Werner International for the Department of Industry. Price £60 from the DoI, Victoria St, S.W.1.*

# Camden councillor stirs up Brooke Bond

BY DUNCAN CAMPBELL-SMITH

HOUSING AND living conditions deserve more attention, said an elderly private shareholder yesterday of Brooke Bond, the holder at the annual meeting tea producer with large estates in India and East Africa. Surprisingly, though, he was referring to living conditions in some areas of London rather than Assam or Darjeeling.

The observation came as a rejoinder to some less welcome remarks from Mrs Joan Hymans, a Labour member of Camden Borough Council, whose superannuation fund owns 216,250 shares in Brooke Bond.

Mrs Hyman said the council was "very, very worried" about conditions on the company's tea estates and wanted to know whether higher wages for estate workers might not facilitate a better education for children employed on the estates. In view of the council's concern, it "might consider selling its shares."

Sir John Cuckney, Brooke Bond's chairman, appeared less troubled by this prospect than by the fact that, when challenged to do so, Mrs Hymans could not name any Brooke Bond estates employing children in India. In fact, he said, there are none.

Not all the questions, however, were so quickly dismissed. Others were accompanied by allegations which attested to a carefully prepared attempt, as on previous occasions, to embarrass the company's directors.

An alternative annual statement was distributed by supporters of the World Development Movement, a British pressure group on behalf of the Third World.

Mr John Tanner, the movement's chairman, proposed Resolution 11, expressing concern "at the low wages and poor conditions" on the company's estates and calling on it "to set an example to the tea industry worldwide." Mr Tanner spoke of a recent visit to the estates by himself and his wife. Sir John Cuckney claimed that Mr Tanner and his wife had conducted an eventful trip in less than good faith.

These were "outlandish allegations", said Mr Tanner.

Shareholders' real interest was to decide how much good faith accompanied the presentation of the charges.

The protesters seemed pleased enough with the 3.4m shares which did approve the resolution, against 55.2m. The resolution was duly defeated.

Details, Page 17

# ITF loses convenience flag case

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE BLACKING by the International Transport Workers' Federation of the mv Antama in Hull Docks was secondary action made illegal by the 1980 Employment Act, the Court of Appeal decided yesterday.

The court dismissed an appeal by two ITF officials against a High Court injunction last Friday ordering them to stop the blacking.

The decision was a severe blow to the ITF campaign against ships flying flags of convenience, because it will restrict the action it can take against such vessels in UK ports.

The appeal court was told that it was hoped that the Antama would leave Hull on the afternoon tide; but that might be made impossible by tug crews at Hull refusing to help her.

The Maltese-registered ship, owned by a Maltese company, Marina Shipping, was blacked by the ITF after the owner refused to sign a standard ITF agreement, or pay back-wages to bring the crew's rates up to those approved by the ITF.

The ITF said the blacking was lawful under the 1980 Act because its purpose was to disrupt services being supplied under contract by the Docks Board to the vessel's owner.

Marina Shipping contended that the Docks Board contract was not with it, but with the vessel's charterer, Flanders Trading and Shipping.

Lord Justice Lawton said that the contract was made by a Hull shipping agent, General Freight, and there was no evidence whether General Freight told the Docks Board for which company it was acting.

Though the ITF had brought itself within protection of Section 17 (3) of the 1980 Act, it failed under Section 17 (6), because there was no contract between the party in dispute and the supplier of the services.

# Lloyd's broker and underwriter acquitted

Financial Times Reporter

MR CHRISTOPHER MORAN, the Lloyd's insurance broker, and Mr Derek Walker, the Lloyd's underwriter, were acquitted of fraud charges at the Old Bailey after a month-long trial.

The two had been accused of conspiring to defraud the members of two Lloyd's underwriting syndicates. The prosecution alleged that the fraud was carried out to benefit Mr Moran, then managing director of Christopher Moran Holdings and its broking subsidiary, Christopher Moran and Co.

# Hull dockers agree to new work patterns

By John Lloyd, Labour Correspondent

HULL DOCKERS have agreed to a settlement which would restructure existing work patterns, increase productivity, decrease overtime and end the system of "dinting," or lower pay for dockers for whom there was no work.

The package, which remains to be finally agreed next week, was accepted in prinuciple at a was accepted in principle at a dock workers yesterday.

The increase on pay rates is thought to be in the order of 8 per cent, though neither the Hull docks Board nor the dockers union, the Transport and General Workers Union, would confirm this. They said the precise figure remained to be settled next week.

The two key elements in the package are the move from a standard one-shift to a two-shift system, covering the hours from 7 am to 9 pm, and an end to the two-tier system of payments under which dockers not required on a given day were sent home on a lower rate of pay.

The port has operated a pilot two-shift system in its container berths for the past nine months, and its success has encouraged it to extend the system to the rest of the port. The transport union says the agreement will increase the availability of the port to customers and should lead to more efficient working patterns.

The introduction of the two-shift system without an increase in manning, is expected to lead to a drop in the numbers of dockers not required for work on a given day.

However, those for whom there is no work will enjoy the same rates as those working, thus compensating for the loss of overtime pay.

Neither of these elements introduced at Hull are unique in the docks industry, though agreement on them signals a willingness to work more flexibly than has been common in many ports.

Newport and Southampton docks have two-shift systems, while a number of ports have ended two-tier payments.

# Union may hold new polls on Shell offer

By Ivo Dawnay, Labour Staff

REFINERY WORKERS at Shell may be forced to hold new polls on the company's 8 per cent pay offer following low turnouts at two of the company's plants, a Transport Union official said yesterday.

Mr John Miller, the union's national secretary for the oil and chemical industries, said that less than a quarter of the 1,600 refinery workers at Shell's key Stanlow plant in Cheshire had turned out for a poll on Thursday, though these had voted by 286 to 83 to reject the offer.

Contrary votes were recorded at Shellhaven, Essex, yesterday where of a total 850 workers, 238 showed support for acceptance against 38 rejections. Low turnouts were also expected at Teesport, Carrington and Ardrossan last night because of poor weather.

Senior shop stewards, who have called for a pay rise in line with inflation, have recommended a rejection of the offer to the company's 3,400 refinery men. They claim that a 13.2 per cent rise would be needed just to maintain present living standards.

Mr Miller said last night that he would await the results of polling at the remaining three refineries before deciding whether a new vote will have to be taken.

● Oil tanker drivers at Total voted yesterday to end a three-week overtime ban and accept the company's 8.1 per cent pay offer. About 130 drivers and denotmen last week ignored a senior shop steward's call for normal working in an attempt to win an 11 per cent pay settlement.

## Metal Box plants face overtime ban

THREE THOUSAND workers at 10 Metal Box plants are to begin an overtime ban and withdraw co-operation with management from Monday after the company's refusal to increase its 5 per cent pay offer.

The workers, all based at the company's open top factories, are also demanding a £400 one-off payment to compensate for new grading structures. Metal Box said the new grading system only affected craftsmen. The 5 per cent pay offer was the maximum available.

# Outlawing closed shop 'not practicable'

BY OUR LABOUR CORRESPONDENT

THE GOVERNMENT had considered outlawing the closed shop, but was deterred because it "simply was not practicable," Mr David Waddington, Parliamentary Under Secretary for Employment, said yesterday.

He told an Industrial Society conference in Blackburn that the "principal objection to the closed shop is that it is an affront to individual liberty that anyone should as a condition of getting or holding a job be required to join any organisation."

He said that while he had been told by employers that the closed shop could contribute to good industrial relations, the "power to coerce" which it granted unions was not obviously in the interests of management.

Mr. Waddington said the proposed changes in employment law, to be put into effect next year, did not cover everything.

"We have concentrated on dealing with those changes which the responses to the Green Paper show have the widest possible support.

"We are continuing the step-by-step approach—moving forward only when there is clear support for doing so and where abuses are there for all to see."

He denied that the Government was picking a fight with the unions. Mr Waddington said it was doing "what most people think is the minimum necessary to bring some order in to our industrial relations."

The Government had been careful not to set up special courts, as under the 1971 Industrial Relations Act. It had not moved against union rule books and there had been no attempt to interfere in unions' internal organisations.

# Profit sharing schemes grow despite recession

BY IVOR OWEN

PROGRESS IS still being made in the development of employee share ownership schemes in spite of the depressed profit levels resulting from the recession, Mr Nicholas Ridley, Financial Secretary to the Treasury, told the Commons yesterday.

At the beginning of this month there were more than 360 employee share schemes set up by companies approved by the Revenue, compared with under 30 when the Government took office.

There were 259 profit sharing schemes and 109 share option schemes.

Mr Ridley explained that these figures probably considerably underestimated the number of companies concerned because, for statistical purposes, groups with their subsidiaries were treated as one.

The number of employees involved in profit sharing schemes rose by 100,000 to 245,000 in 1980-81.

# Reshuffle at top of BBC will follow Milne posting

BY ARTHUR SANDLES

A SERIES of new senior appointments at the BBC will be announced by the corporation over the next few weeks. A major reshuffle at the top is to follow the appointment of Mr Alasdair Milne as director general-designate.

Mr Milne is currently managing director of BBC Television, and deputy director general of the corporation. He takes over from Sir Ian Trethowan in August.

There will thus be a flurry of speculation over who is to succeed Mr Milne in the key post. Yesterday Mr Milne was dropping strong hints that he would like to see a full-time deputy director general, enabling him to spend more time on the "inspirational and morale building" role he sees for himself.

As far as the appointments are concerned, Mr Milne said: "The board and I have agreed we would not hurry about this. In due course a number of appointments will be made." The new Milne team should be announced early in the New Year but "possibly before Christmas."

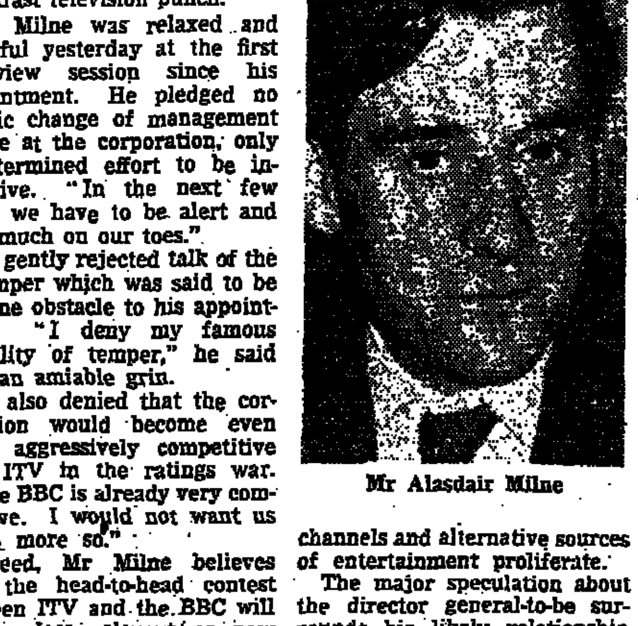
There might also be an early decision to beat ITV to the breakfast television punch.

Mr Milne was relaxed and cheerful yesterday at the first interview session since his appointment. He pledged no drastic change of management course at the corporation, only a determined effort to be innovative. "In the next few years we have to be alert and very much on our toes."

He gently rejected talk of the ill-temper which was said to be the one obstacle to his appointment. "I deny my famous volatility of temper," he said with an amiable grin.

He also denied that the corporation would become even more aggressively competitive with ITV in the ratings war. "The BBC is already very competitive. I would not want us to be more so."

Indeed, Mr Milne believes that the head-to-head contest between ITV and the BBC will become less relevant as new channels and alternative sources of entertainment proliferate.



Mr Alasdair Milne

The major speculation about the director general-to-be surrounds his likely relationship with Mr George Howard, the chairman.

Mr Howard is increasingly involving himself in BBC management and planning rather than playing the committee-style chairmanship role followed by his predecessor, Sir Michael Swann. With Mr Milne very much a man of determined ideas, the two seem destined for a cautious settling-in process.

But yesterday Mr Milne was in no mood to look at the grey clouds. He said that getting out among the troops was not going to be difficult, denying that a bureaucratic jungle exists between shop floor and management.

"It is not all that bureaucratic and not all that much of a jungle. You (management) can move around. You should make the effort to move around."

Mr Milne, who is 51, has been appointed for an eight-year term but, with retirement at 60, that could become nine years if all goes well. He thought that technological changes in that period, such as satellite broadcasting and cable, might be significant but not sufficient to disturb the present broadcasting services.

He did, however, say the corporation might decide to go ahead with breakfast television after all. The plans for this service have been the subject of on-off decisions by the BBC, largely because of the cost.

"I hope we would be able to manoeuvre our resources," said Mr Milne about the problem of raising the money if it was decided to go ahead.

Once sceptical, he said he now was convinced that the BBC should expand further into local radio.

The two areas which might first feel the blow of Milne winds of change are news/current affairs, where he is keen to see innovation, and licence fee payments by pensioners. He argues that it is up to the BBC to come up with ideas on how to ease the licence fee burden on the elderly.

# Liverpool City Council strike looks set to end

BY IVO DAWNAY, LABOUR STAFF

A LONG-RUNNING strike over grading levels by clerical staff at Liverpool City Council looks set to end next week when 500 typists, secretaries and machine operators are to vote on a new peace formula.

Negotiators for both sides had agreed to independent arbitration to settle the six-month dispute earlier last week, but talks remained deadlocked over the council's insistence that there should be no victimisation of staff who refused to back the action.

Officials of the National and Local Government Officers' Association have now accepted a compromise formula that will allow the non-strikers to continue normal working, though they still face suspension or dismissal from the union.

A mass meeting on Monday will vote on an immediate return to work pending the outcome of arbitration talks to be held in January.

The strike began in May when the council suspended several typists working to rule in pursuit of a £10 pay rise to lift their grading levels to that of secretaries doing similar work. Two hundred and eighty clerical staff were also suspended without pay after they refused to provide a covering service.

Details of the arbitration procedure were finalised yesterday when Mr Norman Singleton, deputy chairman of the Central Arbitration Council, agreed to head the tribunal.

Mr Graham Burgess, Nalgo organiser, said yesterday that he was optimistic that the typists would vote to accept the settlement and would return to work.

"The tragedy is that we had suggested that we go to arbitration as far as August," he said.

# THE WEEK IN THE MARKETS

## An icy grip on interest rates

### LONDON
ONLOOKER

THE trend in Treasury Bill and interbank rates last week would have been enough to make a gilt-edged dealer shiver in a heatwave. With a steadying of the fall in rates across the Atlantic and the strong possibility that Opec may trim oil prices, the pound came under pressure, too, so the bears certainly had the upper hand at the end of the first leg of the three week Christmas account.

Gilts showed falls in all sections on almost every day and publication of the November banking figures, which confounded expectations by indicating a half point rise in sterling M3, did nothing to help. Bank lending to the private sector is probably going to show up at £2½bn which is some 25 per cent more than the combined total of the two previous months. The signs are that the corporate sector is paying its taxes on overdraft and the clearing banks are also making a deep impression on the housing market.

If the bears have their way, and a top Treasury Bill rate of 14.6 per cent suggests that they will, the recent half point cut in the clearers' Base Rates is going to be very short-lived.

The FT Industrial Ordinary Index has fallen 9.1 this week to close at 520.2 but there has been a good run of "situation" shares. Action on the stores pitch next week should make the snowbound slog from Surrey mock-Tudor to the City worth while. House of Fraser shares have been keeping dealers on their toes (see below) and, intriguingly, the quotations of both Mothercare and Habitat have been frozen. The denouement is promised early next week, BR permitting.

### Frazer keeps fizzing

A chapter closed on one of the City's most heated and long running bid battles in midweek when the Monopolies Commission blocked Lonrho's £226m offer for House of Fraser.

A chapter may have ended, but was the Monopolies Commission decision to be taken as the close of the entire book? If nothing else, an intriguing addendum was tacked on a day later when two brokers started bidding for House of Fraser shares. They spurted at one point to 173p, against Lonrho's original offer price of 150p, but it later turned out that neither broker had been able to buy much stock.

Brokers Laurie Milbank were reported to have received an order from an unnamed client for a block of 7m shares, or almost 5 per cent of Fraser's equity. Cazenove, the broker acting for House of Fraser, also went into the market almost immediately. Even such a relatively small holding would have had an important bearing on what is still an extraordinarily balanced, and acrimonious position.

Lonrho holds almost 30 per cent of House of Fraser and Sir Hugh Fraser, the former chairman of the stores group, has family trusts controlling a further 4 per cent. The bidder, run by Mr Roland "Tiny" Rowland, has been thwarted in a four year campaign to acquire Britain's biggest department stores group but Lonrho has made it plain that it does not intend to let the matter drop. The Government was later understood to have drafted a Parliamentary Order blocking the bid, prompted perhaps by the share buying spree.

Lonrho stressed that it had not been behind the buying order but the history of the entire contest suggests that Lonrho will keep its teeth dug firmly into the tail of the House of Fraser board. Neither side has ever attempted to hide its distaste for the other. Lonrho has tried unsuccessfully to alter dividend payments and to oppose the sale and leaseback of one of House of Fraser's most prestigious West End stores. The betting in the City is that Lonrho will keep up the boardroom pressure on all possible fronts.

The academic, company doctor and active member of what he describes as the Manchester mafia, Professor Roland Smith, chairman of House of Fraser, has always said that he wants to "sweat" the group's huge portfolio of retail assets. Nothing in the Monopolies Commission's conclusion that the Lonrho bid would be against the public interest and the Department of Trade's decision to adopt those findings suggests for one moment that the Professor can allow the temperature to drop.

### Wearwell deja vu

Rights issues are nothing new to shareholders in Mr Asil Nadir's stable of three quoted companies. In the last three years Wearwell has launched two and Polly Peck one. Cornell Dresses, which Polly Peck took control of at the beginning of the year, is conspicuous by its absence—but there's plenty of time.

Even so shareholders could have hardly foreseen that Wearwell would come back this week with its hands out for the third time in three years. And the company is not stinting itself. The rights call is a hefty one-for-two at 50p each raising £5.2m.

Wearwell's last two issues were launched as the "East End" textile company battled its way from the brink of financial collapse and out of the red. But only a few weeks ago Wearwell was reporting record profits of around £3m (annualised) and Mr Nadir was predicting another record in the current 12 months. As shareholders perused the latest accounts last week-end they could not have thought that within days Asil Nadir would be asking them to open their cheque books once more. Last year income earing was only 26 per cent and capital gearing was under 40 per cent.

Yet the issue is being launched for one of the best of reasons—to finance a rapid expansion of sales. Turnover in the first quarter is up by 50 per cent. Wearwell is particularly successful selling overseas and now exports take nine-tenths of output. It's good news except that overseas customers expect, and take, long lines of credit. Also, while the expansion of the Cyprus manufacturing base now churning out a third of group production, is cost efficient lead times are seriously extended. Processing in Cyprus involves a manufacturing cycle three or four times longer than in the UK.

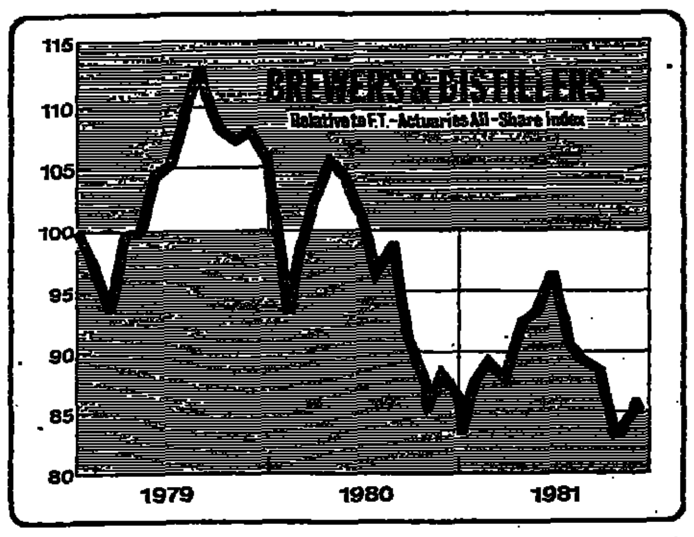
So this rapid sales expansion is going to take a lot of financing if it is to be sustained. Wearwell had three choices: turn away orders, borrow heavily from the bank or go back to shareholders. At least Mr Nadir is taking up his rights this time round.

Estimates are floating round the market of £5m pre-tax for this year pointing to a fully taxed p/e of 7 on average capital. The directors have forecast at least 2.75p per share dividend giving a yield of 6.7 per cent. The issue is heavy but the underwriters are unlikely to have to work too hard for their fees.

### Brewery pressure

The brewery share sector is under pressure. Its fall of 10.5 per cent since June compares with a stock market drop of less than one percentage point and the industry's traditional defensive wall is cracking. The assault on volumes has been led, inevitably by unemployment and stiff excise hikes. Until recently, the brewers' response to faltering demand has been to jack up bar prices but many groups now seem set on less aggressive pricing policies in the search for better production. October saw a 15 per cent drop in brewery output.

Three brewers reported during the week—one major and two regionals. Bass hit the top end of the stock market's forecasts with a 17 per cent increase in pre-tax profits to £133.2m. But brokers' attempts to determine the rate of underlying brewing growth have been obscured by a 38-week contribution from the £82.5m Coral acquisition whose effects Bass has not quantified. Best guesses, however, seem to suggest that Coral was worth £11m or £12m—perhaps even as much as £13m—which means that Bass' true advance cannot have been much better than 7 per cent.




A common feature of the three sets of results is a small rise in market share. Bass probably lost about 5 per cent in volume terms but this has to be set against a 6 per cent fall in national output during the year. And it seems likely that Allied Lyons has felt the cold draught of competition more than most. The long and bitter strike at its Ansell's brewery in the West Midlands let in Bass' well established Mitchells and Butler regional brands.

The Ansell's dispute has also helped Wolverhampton and Dudley Breweries which has reported a small gain in volume and a 12.8 per cent pre-tax profits rise to £10.22m in the year ended September 30. Its catchment area is in the centre of the economic blizzard but Wolves believes it can hold onto the inroads made in Ansell's market by insisting on permanent new contracts for its Banks and Hansons brews in the free trade area. The benefits to its tied estate will be more short-lived but the group is going on with a high level of renovation in its pubs, heavy capital spending on the brewery itself and an expansion of its tied and free house estates.

### Trafalgar's re-fit

Trafalgar House has again proved sea-worthy. The group has reported a 12 per cent advance in pre-tax profits, this time to £55m against £49m last year. The past two years of improvement put the group on course to surpass the 1978 profits peak of £57m

Trafalgar's shipping interests have staged a solid recovery from the depressed first-half when strikes and "flagging out" the Cunard Princess cost over £3m. With only a £1.1m contribution from the first-half, the shipping business recorded £10.44m for the year, against £17.2m last year. Currency gains and loss-elimination should put more power behind this division in 1982.

The group's newspaper and magazine division was becalmed in the second half, but showed a 63 per cent improvement largely on first half gains. The *Daily Star* apparently lost about £8m in the year. Bingo wars and continued circulation problems makes the future of this area look grey. The market is bound to be pleased if plans to stow these interests into a separately quoted company are successful.

### MARKET HIGHLIGHTS OF THE WEEK

| | Price y'day | Change on week | 1981 High | 1981 Low | |
|---|---|---|---|---|---|
| F.T. Ind. Ord. Index | 520.2 | − 9.1 | 597.3 | 446.0 | Lack of fresh support |
| F.T. Govt. Secs. Index | 62.73 | − 1.88 | 70.61 | 60.17 | Short-term money rates up |
| Brasway | 72 | + 9 | 72 | 28 | Interim results due Monday |
| Burco Dean | 33 | + 6 | 37 | 19 | Second-half profits recovery |
| Claremont Petroleum | 98 | +56 | 99 | 10½ | Jackson No. 1 drilling report |
| Edbro | 74 | +14 | 77 | 35 | Interim profits recovery |
| Guinness Peat | 100 | +12 | 123 | 75 | Possible partial bid |
| Henlys | 78 | +12 | 99 | 60 | Speculative demand |
| Highgate and Job | 38 | +10 | 50 | 26 | Dalgety sells 36% stake |
| House of Fraser | 170 | + 9 | 183 | 117 | Mystery buying |
| Huntley and Palmer | 77 | + 8 | 90 | 46 | Takeover hopes |
| Inchcape | 272 | −30 | 475 | 247 | Malaysian Toyota ints. sold |
| Kamunting | 150xd | +61½ | 150 | 60 | Takeover hopes |
| Lon. and Overseas Freighters | 55 | +21 | 55 | 30½ | Dawn raid. |
| Mothercare | 170* | +14 | 256 | 130 | Speculative demand |
| Pengkalen | 270 | +72 | 290 | 90 | Takeover hopes |
| Royal Bank of Scotland | 182xd | −13 | 202 | 87 | Awaiting Monopolies report |
| Sothebys | 410 | −33 | 510 | 345 | Disappointing annual results |
| Ward (T. W.) | 216 | +24 | 216 | 98 | Hopes of higher bid |

* Price at suspension.

## Bless blue chips

### NEW YORK
PAUL BETTS

THE DOW JONES industrial average has now risen by more than 50 points in the past four weeks and is back at the high 800 level again. This is not bad considering Wall Street's long standing preoccupations about the U.S. economy, about the future interest rate outlook, and this week in particular, about the horrible new Federal Deficit estimates.

Notwithstanding the market's underlying worries, the Dow has managed to struggle up again thanks largely to the blue chips. In sharp contrast to the rallies in the past two years, the blue chips rather than the broad market have been moving up in a relatively steady fashion in recent weeks.

In the past, the big gains were largely to be made in the smaller stocks. But the market now appears to be saying that the day of the blue chip is about to come.

This is not likely to happen in the immediate future. The consensus is that the recession will probably be far deeper than earlier anticipated and also longer. The big industrial companies have been telling securities analysts they expect the recovery only to begin next spring, adding they did not expect the recovery, when it happens, to be as strong as traditional post recession recoveries. None the less, when the recovery eventually takes place, the market expects the blue chips to benefit the most. And Wall Street anticipates that the big rally when it happens will be led by the blue chips this time.

Of late most of the blue chips have been performing better than the average stock. But of all industrials, U.S. Steel has become the unquestionable although somewhat unlikely star.

Although the steel business is still in deep trouble, interest in U.S. Steel has been building up on Wall Street ever since Mr David Roderick, U.S. Steel's chairman, announced late in 1979 the closure of more than 10 major steel plants and took the biggest write-off in American corporate history. At the same time, U.S. Steel has been selling some of its coal assets improving the company's cash position.

With its friendly bid for Marathon Oil, Mr Roderick has placed U.S. Steel firmly in the spotlight. U.S. Steel's $6.4bn bid has been criticised but in general it is seen as an important diversification by the big steelmaker in the oil business. But what has really sent the market buzzing is not so much U.S. Steel's take-over efforts but the fact that U.S. Steel itself may end up being a take-over target.

U.S. Steel currently has a big edge over rival bider Mobil in the take-over battle for Marathon Oil. Although U.S. Steel suffered a setback yesterday when a Federal Appeals Court delayed the steel company's deadline for buying Marathon shares until the court hears Mobil's appeal against an injunction preventing the oil company from acquiring Marathon, the steelmaker has been tendered 90 per cent of Marathon stock under its $125 a share offer for 51 per cent of Marathon in cash to be subsequently followed by an exchange of notes for the remaining Marathon shares.

Mobil could still win its appeal and suddenly see its chances revive. But the oil company has been plagued by legal and anti trust obstacles throughout the takeover battle. Fearing that it could lose to U.S. Steel, Mobil, one of corporate America's most aggressive bulldogs, indicated this week its intention of buying up to 25 per cent of U.S. Steel.

This could simply be another ploy by the wily oil giant to regain a nedge in the Marathon contest. But many people in the market believe Mobil is dead serious. If it cannot get hold of Marathon directly, it plans to buy the oil company indirectly by acquiring a large block of U.S. Steel. This would put Mobil in an extremely strong position to negotiate with U.S. Steel the sale of Marathon's oil and gas assets which Mobil has been eyeing all along.

Some people have clearly been shocked by Mobil's bashful tactics. A marriage between Mobil and the steelmaker would be tantamount to the "unspeakable" merging with the "inedible." But on the whole, the market is loving every moment of the battle. As for U.S. Steel stock, from a low this year of $21, it has climbed this week to more than $32 close to its 12-month high of $35. More than any other stock, U.S. Steel has been responsible for the rise in the Dow in the past few days.

Elsewhere this week, Lockheed has been active receiving a good response from Wall Street following its decision to ditch the TriStar.

| | | |
|---|---|---|
| MONDAY | 886.99 | −5.70 |
| TUESDAY | 881.75 | −5.24 |
| WEDNESDAY | 888.22 | +6.47 |
| THURSDAY | 892.03 | +3.81 |





## Mr Scrooge sniffs at Christmas

TIMING is, of course, the secret of successful investment and is thus the most difficult part of it. But when share and metal prices are depressed they give off a scent as enticing as that of any Christmas goose in the oven: the smell of money to be made on the rebound.

This brings us to Christmas Past. Just a year ago there was a fairly general consensus of opinion that 1981 would see a break in the dark economic clouds and that the recovery would accelerate in 1982.

Now, at Christmas Present, they are all at it again. Undismayed by the earlier busted forecast, the pundits are looking for the first signs of recovery to start appearing in 1982 and for the good times to come along before Christmas Future.

A well-reasoned comment has come from stockbrokers Grieveson Grant in their quarterly review of the mining and metals scene. Of the base metals they conclude: "We are now close to the bottom in the current cycle and a slow price recovery is expected, but the major recovery will not be until late-1982."

Are they and the other observers whistling in the dark to keep up their spirits? It would be very interesting to know what Ebenezer Scrooge had to say about it because whatever his other shortcomings he knew how to make money and, for that matter, to keep it.

Jacob Marley, of course, didn't care and Bob Cratchit never had any money anyway, so we are stuck with Scrooge. I think that he would have echoed the recent comment of Sir Arvi Parbo, chairman of Australia's Western Mining, who pointed out that the factors that are depressing the metals and mining industry are cyclical.

In other words, they won't last for ever: if they did it would not matter much what we did with our money. So the question is, how much longer has the current cycle to run bearing in mind the fact that many metal prices are now so low that they are barely profitable for the mining companies?

Share prices of the latter are well below the levels of end-1980. In the Australian group, for example, CRA are only 178p compared with 292p, MIM Holdings are 200p against 233p and Western Mining are 256p against 293p.

I feel that Scrooge would be studying such prices with a good deal of interest, but he might prefer to wait for a month or two before unlocking his money box. He might also be keeping a rheumy eye on Canada's Inco, the share price of which is now down to U.S.$14½ from $20 at the end of last year.

This has been a disastrous year for Inco. A weak market for nickel, severe losses at the non-Canadian operations and a poor performance by the electric battery subsidiary have taken their toll and the company is expecting its first annual loss for 50 years.

### MINING
KENNETH MARSTON

The loss-making Guatemalan nickel operation has been closed down and this week Inco has said that the consequent write-off will amount to U.S.$220m (£116m) compared with the $180m earlier envisaged. The group is also pulling out of its $460m battery business which will involve another writedown in the current quarter, the amount of which is yet to be decided.

So the company's results for this year are going to be somewhat frightening. But at least, Inco will be taking its medicine in one powerful dose and should be in better shape next year to take advantage of the hoped-for improvement in the nickel market.

Its unsold stocks of nickel are now worth something in the region of $480m compared with the company's current market capitalisation of just over $1bn. This must be well below the value of the mines and installations and so the long-mooted possibility of a take-over approach remains.

What of gold? Grieveson, Grant cautiously look for no more than a gradual rise in the price next year and many other observers take the same line. Understandably, perhaps, the mining companies continue to pin their faith in the longer term and Messrs. E. Pavitt and L. W. P. van den Bosch have this week forecast a tightening supply situation.

In their statements with the annual reports of the General Mining-Union Corporation group's Evander mines they have pointed out that South Africa's production this year will fall to about 669 tonnes (its lowest for 19 years) and that the total supply to the West will be about 1,150 tonnes compared with 1,360 tonnes last year and 1,765 tonnes in 1979.

The so-called investment demand for the metal remains subdued but offtake for industrial purposes is picking-up. However, they add: "Further impetus will depend very largely on the economic recovery of the West which, from present indications, is unlikely to achieve any worthwhile momentum until about the second half of next year."

Meanwhile, further reduced half-yearly dividends have been announced by the South African mines this week. They are compared in the following table.

| | Dec. 1981 cents | June, 1981 cents | Dec. 1980 cents | June, 1980 cents |
|---|---|---|---|---|
| **GOLD FIELDS GROUP:** | | | | |
| Deelkraal ... | — | — | 5 | — |
| Doornfontein . | *90 | 200 | *135 | 100 |
| Driefontein ... | 100 | — | — | — |
| Kloof | *120 | 240 | *160 | 240 |
| Libanon | *80 | 200 | *130 | 150 |
| Venterspost . | *35 | 135 | *100 | 135 |
| Vlakfontein... | 15 | 10 | 40 | Nil |
| **BARLOW RAND GROUP:** | | | | |
| Blyvoor ...... | *100 | 100 | *160 | 185 |
| Durban Deep | 100 | *85 | 300 | *160 |
| E. Rand Pty. | — | *50 | 195 | *175 |
| **GENCOR GROUP:** | | | | |
| Grootvlei ... | 78 | *69 | 112 | *92 |
| Marievale ... | 28 | *25 | 65 | *55 |

* Interim. St. Helena has changed its financial year-end from June 30 to September 30 and is now declaring 145 cents following 260 cents in September and 330 cents in March.

Finally, Far Eastern tin share prices have suddenly taken off on vague hopes of take-overs being launched by the big Malaysia Mining Corporation. Because of falling production coupled with rising costs many of the tin mines are not doing too well despite the artificially high price of the metal.

If the support buying of tin, which is understood to emanate from the East should falter, the metal price would drop very sharply. So, too, would share prices if the take-over hopes come to nothing. Potential buyers are thus on slippery ground, while existing shareholders might consider getting out if the share prices rise further.

## Ghost of a summer rally haunts Japan

### TOKYO
RICHARD HANSON

THE BANK OF JAPAN this week unwrapped an early holiday gift for the Tokyo stock market, a modest, though timely, cut in its official discount rate (by 0.75 per cent to 5.5 per cent) aimed at stimulating the listless domestic economy.

The movers and shakers in Tokyo had already convinced themselves that market sentiment has made a striking *volte face* from earlier this year. Technology and export oriented blue chip shares, the darlings of the market since 1980, were being replaced on "buy" lists by down to earth stocks whose fortunes are tied to a slowly recovering domestic economy. The former dogs of the market are to have their day.

The Tokyo market had been fiddling in the dark over where prices are headed since August, when enthusiastic domestic investors pushed the Nikkei Dow index to a record high. The enthusiasm of foreign buyers had waned a full month before. Unfortunately, foreign buying (real and imagined) had been the only major prop in a year-and-a-half of remarkable gains. In the crashes which followed, the "Big Four" Japanese securities houses were faced with the uncomfortable task of containing the (naturally) excessive reactions to what had been at last an (artificially) excessive rise. Since the record days of August, the Nikkei Dow Jones index chart reveals two big sharp plunging icicles of selling. The problem technically was that the market tried to consume too much (in the form of new stock issues) on the cheap by running up a huge margin buying debt. Psychologically, with the foreigners on the sidelines, no one was able to advance a convincing new rallying theme in the market.

The new rallying cry, domestic economic recovery, was finally hit upon in November, when, paradoxically, recession in the U.S. sent American interest rates lower (and the yen higher) and allowed the market to breathe easier. With pressure on the yen abating, the monetary authorities could then focus on the need to take monetary steps to stimulate the sluggish domestic economy. The latest GNP report (July-August) revealed that domestic demand had actually dropped by 0.2 per cent, while exports boomed.

By lowering the discount rate, the Government is applying the strongest medicine it currently has available (and taking the risk that lower rates could weaken the yen again encouraging exports). The market is now hoping for fiscal measures to bolster growth, but the sad state of government finances has virtually ruled out any major rises in public spending.

Thus armed the market has indeed turned its eyes to homespun shares.

Foreign investors have not been slow to hitch up to the new bandwagon, though some brokers may find overseas customers somewhat confused. After two years or more of buying into the high flying Japanese technology boom (video recorders, semiconductors, etc) the dull likes of construction companies, real estate, food processors and retailers, and consumer finance companies are being pushed. No one of course believes that the gloss is off Japanese technology, but from the market's volatile point of view blue chips and export orientated shares are likely to underperform the average next year, having outdone all others in the last rally.

Investors are being told to look for companies which benefit from lower interest rates and anyone who will benefit from a still faint recovery in private consumption.

As always, the investor should be wary of the new direction. The market outlook itself remains uncertain, though a rally is expected into January. Come February the ghost of last summer's rally—a still yawning balance of margin debt—will finally unwind itself with unpredictable results.

# YOUR SAVINGS AND INVESTMENTS

The writing is on the wall for people involved in tax avoidance schemes . . . **Tim Dickson** reports

## *Round Two to the Revenue*

ERSTWHILE TAX avoidance enthusiasts saw a second nail hammered into their coffin this week after a judgment in the Lords.

The decision of the Law Lords not to allow a manufactured capital gains tax loss of £160m by the Burmah Oil Company (Commissioners of Inland Revenue v. Burmah Oil Company) underlines and confirms the radical new approach taken to tax avoidance in the case of W. T. Ramsay v. IRC earlier this year.

On both occasions the judiciary asserted the principle that if the overall scheme was artificial it should not be allowed even though each of the individual steps would be permissible under other circumstances.

The Ramsay precedent was rammed home last week when Lord Scarman, one of the appeal judges said: "It is of the utmost importance that the business community (and others, including their advisers) should appreciate, as my noble and learned friend Lord Diplock has emphasised, that Ramsay's case marks a 'significant change in the approach adopted by this House (ie. The Lords) in its judicial role' towards tax avoidance schemes."

Although the two cases both involved corporate taxpayers, the implications of these judgments may have far reaching effects on those individuals who bought the much marketed "off-the-peg" schemes over the last 10 years.

Tax avoidance is no doubt as old as the hills but it became particularly prevalent in the UK during the 1970's when high marginal rates of income tax provided a suitable climate for those keen and clever enough to help the rich reduce their tax bills.

Avoidance, of course, should be distinguished from tax evasion. Evasion means not paying taxes which you are required to pay by law; avoidance, on the other hand, is perfectly legal but in recent years has involved a number of increasingly complicated and controversial schemes which were sold "off the peg" to individuals as a package.

They were offered by bright minded promoters who explained to individuals that if they undertook a number of highly complicated and interconnected moves (often including the transfer of money in and out of companies) the net result would be a reduction in their tax liability. Notable among these was the reverse annuity, devised by the Rossminster Group, the commodity straddle and the up front interest scheme but there were many others which did not attract the same public attention.

Although the Revenue refuses to comment on its attitude, leading tax accountants say that there are many cases round the country where local inspectors have refused to endorse individual tax returns. Even where the Inland Revenue failed in the courts, as with the reverse annuity scheme, the local inspector is holding out on the grounds that each case is different.

The result of the two judgments this year is that the Revenue will be able to put more pressure on people to settle their affairs out of court. But there is also confusion about what is tax avoidance and what is legitimate tax planning.

What happens now? Accountants and tax consultants who have an interest in avoidance schemes are now waiting anxiously for judgment in the High Courts of Furniss (Inspector of Taxes) v. Dawson, a case where capital gains tax roll over relief is being claimed but in which the use of a tax avoidance scheme has been admitted. If the Inland Revenue scores their third victory, any lingering doubts about the change of heart in the House of Lords will be dispelled.

## *Mortgages: why it pays to switch*

SAVINGS ON SWITCHING TO A 15 PER CENT MORTGAGE

| | Previous interest rate | | |
|---|---|---|---|
| | 15½% | 16% | 16½% |
| ● £25,000 mortgage: | | | |
| Monthly savings | £9.50 | £19.25 | £29 |
| Savings over 25 years | £2,850 | £5,775 | £8,700 |
| ● £30,000 mortgage: | | | |
| Monthl ysavings | £11.40 | £23.01 | £34.80 |
| Savings over 25 years | £3,300 | £6,900 | £10,540 |

A MORTGAGE, like marriage, places a constant demand on those who enter into it. Shedding an unhappy marriage can be messy and expensive. Getting out of a costly mortgage, on the other hand, can be arranged fairly simply and cheaply.

You'll want to consider switching your mortgage if you are paying more than 15 per cent interest. Higher rates for large mortgages, called differentials, are rapidly disappearing. The banks, which entered the mortgage market about a year ago, scrapped differentials in their efforts to lure customers away from the building societies. The bait proved powerful and the banks have cornered about a third of the new home loan business. In response, many societies have modified or cut their differentials.

Not all societies have done so. If you haven't heard from yours, ring up your mortgage manager. A recent call to my society, the Greenwich, resulted in a back-dated interest rate cut, the prospect of a further ½ per cent fall, and a review on differentials shortly.

If you are not satisfied with your society's answer, you'll find that redeeming the mortgage can be accomplished without much fuss. Most smaller societies will charge you up to three months' payments if you want to redeem immediately. If you give three months' notice, no charge will be made. Larger societies either make no charges, or merely ask for a token fee of about £5.

The costs of transferring to another society or a bank are similar to those of taking out a new mortgage. These include the price of a property valuation and legal costs which should range between £150 and £250, depending on the size of the mortgage. Some banks charge an additional arrangement fee of £50.

For a mortgage of £25,000 at 16½ per cent, for example, the costs of switching to a 15 per cent mortgage would be recouped in less than a year. The larger the mortgage the greater the benefits (see table).

At the moment, it's probably best to talk to the larger societies which have announced plans to scrap differentials, although Abbey National has maintained a higher rate for loans over £25,000. Smaller societies, particularly those with assets under £100m, will find it more difficult to cut differentials as this would upset their matching of loans and investments. As a result, some of these societies may never make the change.

Officially, the larger societies balk at the idea of transfer business, but none actually turns it away. A medium-sized society, Birmingham Building Society, was more forthcoming, saying it cut out differentials in October and has done 25 to 30 transfer mortgages since then.

Among the banks, National Westminster said quite a high proportion of its business it transfers. Barclays said it doesn't do transfers "as a general policy." Lloyds charges an extra 1 per cent for re-mortgages and says that 15 to 20 per cent of its home loan business now falls in this category.

If you have topped up your mortgage with an insurance policy, or have an endowment mortgage, the insurance company may be able to re-arrange the loan with a bank at a lower rate. The London and Manchester Assurance, for example, recently offeredt o renegotiate a 16½ per cent mortgage with the Midland Bank "at X per cent" for about £150 in legal fees. The only proviso was the need for a copy of the building society's survey.

In sum, it's a buyers market for mortgages. For those paying out high monthly payments, now is the time to find a new mortgage partner.

**Carla Rapoport**

## *Shopping around for shares*

BUYING STOCKS and shares through a bank can be a useful option for people with relatively small sums of money who are looking for a long-term investment. Anyone who wants to run an active share portfolio and is prepared to be a bit adventurous would be better off finding their own stockbroker.

Banks do not charge customers for buying shares so it is no more expensive than approaching a broker individually. The banks get paid 25 per cent of the brokers commission for all the paper work they complete.

Just how efficient is this method? Unfortunately there is no easy answer as it depends on the particular branch manager. Problems may arise if a bank manager is slow off the mark in handling a request to buy or sell shares. Short of making a personal visit to the bank and seeing the manager phone the broker, there is little that can be done to improve matters.

Mr John Rosselli, a partner in James Capel, the City stockbrokers, says the brokers "are perfectly happy with the system as the banks do a lot of the paper work and in most cases everything goes smoothly.

Customers can also ask their bank manager to get advice from brokers on how they should invest. Once again this is free. Anyone seeking advice from a broker should first be clear in their own mind about what they hope to get from the investment. It is best to be quite sure before even picking up the 'phone whether you are looking for income or capital growth. It is also important to have at your finger tips key financial details such as your mortgage, salary, pension and tax position.

It is also worth knowing that as a bank customer you may get different advice from a broker's private client. Mr Rosselli, for example, says "the sort of advice we normally give bank customers is along the low risk, low reward lines."

Anyone wishing to invest in overseas stock markets can do so through their banks. The clearing banks charge various commissions, which are calculated as a percentage of the sum invested, and a correspondent's charge is added.

Both Barclays and Midland charge a ½ per cent commission fee on foreign stocks. Barclays, however, has a minimum charge per deal of £5 while Midland pitches its minimum price at £10 and has a ceiling of £50.

Next on the charges ladder is National Westminster which has a ¾ per cent commission fee with a minimum charge of £7.50. Topping the list is Lloyds which asks its customers for 1 per cent up to £10,000 and a ½ per cent thereafter. The minimum here is £10 and the maximum £200.

National Savings certificates and premium bonds can also be bought through banks. Most of the clearers do not charge for these purchases, although with Lloyds it is up to the manager who may ask for 15p per item.

**Rosemary Burr**

## Banking Brief

## *When small is bountiful*

THE Manchester-based Co-operative Bank, the smallest of the English clearing banks, is always worth keeping an eye on. It often sets the pace when it comes to introducing new ideas in personal banking.

This week it broke new ground in becoming the first clearing bank to offer nationally to pay interest on current accounts, which it calls "Cheque and Save." Details still have to be finalised before next month's launch, but the Co-op Bank says it plans to offer customers a full current account facility paying interest of around 10 per cent.

The big clearing banks which are all looking at the idea of paying interest on current accounts were playing down the significance of the Co-op Bank's move last week. Nevertheless, they will find it hard to offer a better alternative for personal customers wanting a basic money transmission service and not bothered about seeing their bank manager. They can cash cheques at several thousand Co-op stores around the country.

The Co-op Bank will operate the new service through its finance house subsidiary, First Co-operative Finance, and all the accounts will be based at the bank's automated computer centre in Skelmersdale, Lancashire. By so doing, the Co-op says it drastically reduces the cost of the service and can afford to pay an attractive rate of interest.

The bank already offers free banking facilities to its customers provided they keep their accounts in credit, so the new service is expected only to appeal to customers keeping high average balances in their accounts and needing to use their cheque books infrequently. Cheques, and other debit items, will cost between 20p and 25p each.

As a rule of thumb the bank says that customers keeping an average balance of over £300 in their account and using less than 150 cheques a year would be advised to use the new service. Assuming an interest rate of 10 per cent, a customer keeping an average £500 in the bank and paying 50 cheques a year will earn £40 of interest, after deducting bank charges. This will be liable to tax.

**William Hall**

## *Do-it-yourself trading*

THE Stock Exchange's 163 (2) fringe market, which hosted the big resurgence of speculative new issues in the past three years, has returned this week to its normal quiet role of facilitating occasional deals in the shares of small breweries and football clubs.

Companies were warned some months ago that if they expected dealings in their shares to be active, they should apply for listing or for a quotation on the Unlisted Securities Market. As of last Monday, jobbers were told to run down their dealings in 163 (2) shares.

Despite the long notice period, some companies have not managed to get their applications for quotations in on time, while others are deliberately holding back or being held back.

What this means is that anyone who holds any of these shares can sell them only if he can find someone who is willing to buy them. Once a buyer is found, Stock Exchange approval is needed for each deal.

In practice, this means going to the company's brokers who will generally be the best informed on who may be interested in buying the shares.

The most actively traded share in this collection is Intervision, the video cassette distributor headed by Mr John Bentley.

The company's accounts for the year to June 1981 were qualified by the auditors. Intervision's financial advisers, Tring Hall Securities, say an application for a USM quotation is being held up until one of the points is clarified. They hope the quote will go ahead soon.

Another company in the Tring Hall stable, Baker Electronics, is waiting for the publication of annual accounts for the year to March 1981 before applying for a USM quote. The group predicted it would suffer a loss in the second half, thus causing it to fall well short of the forecast £0.2m profit made when Tring placed 800,000 shares at 60p last July. The shares stand at 23p now.

Among others that seem likely to move to the USM is Roche Plant, the plant hire group which was launched in February last year by County Bank and Hoare, Govett. Mr Gordon Wilson, joint managing director of Roche, said the company abandoned plans to come to the USM last summer because conditions in its industry were not favourable.

Shares of Jessel Trust, now specialised in oil and gas investments, have been traded under Rule 163 (2) since new financing was raised last March. Its Stock Exchange listing has been suspended since October, 1974, and its brokers, Henry Cooke, Lumsden, were uncertain of its plans.

Then there is a list of 16 other companies whose shares are quoted in the Financial Times daily tables and whose needs and plans are less certain. They include small mining and oil exploration ventures, such as Conroy Petroleum, Gaelic Oil Hemerdon Mining and Smelting and SPO Minerals; companies with troubled histories such as Nationwide Leisure and Mainline Electronics (formerly Crellon Holdings), and a number of plantation company shells that are being pushed in various directions, such as Scottish Ceylon Tea, Tom Hill, Pan Atlas and Jayplant.

**Ian Rodger**

## *Permanent parking*

**FINANCE AND THE FAMILY**

BY OUR LEGAL STAFF

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

**I own a leasehold flat in a small block of nine flats. Nine garages, one to each flat, are located in the rear. One owner has a friend living with him who, for want of a garage, permanently stations his car in a place on the common parts surrounding the building. Is he entitled to do this? If not and this state of affairs is allowed to continue unchecked, can he acquire after some period of time, a legal right to maintain his position?**

The permanent parking of a car on the common parts may well constitute a trespass which the management company could restrain by court action. If no action is brought, after 20 years an easement to park the car may be acquired, although there is some doubt as to whether there can be such an easement. A formal licence entered into by the car owner with the management company would prevent the acquisition of any easement which might otherwise be prescribed for.

### *Tax on property bonds*

**In 1971 I invested £1,000 in Abbey Life Property Bonds and £1,000 for my wife in the Property Accommodation Bonds and provided not more than 6 per cent was withdrawn each year I understood the payments were not subject to tax. I have now received my tax demand which includes an item £48 "increase in policy values." Is the Inspector correct in making this assessment?**

Provided that not more than 5 per cent is withdrawn each year (broadly speaking), there is no immediate income tax charge. This is not an outright exemption, however: the income tax charge is merely deferred until maturity (or surrender).

The tax assessment may well be correct, therefore. The way to find out is to ask your inspector for an explanation of the figure of £48.

### *Selling house and business*

**During September 1961 I purchased a house, which is our only residence. The garden extends to ¾ of an acre, and includes an old stable. Early in 1962 my wife started a boarding kennels, using the stable for boarding dogs. My wife's income from the kennels is approximately £1,750.**

**We are considering selling up, either as a boarding kennel or alternatively as a cottage residence as we originally purchased the property. The approx value is £23,000, but I have no idea what the value of the property as a boarding kennel would be. Would we be liable to capital gains tax or any taxes on selling up?**

Basically, your house and grounds are exempt from CGT, as you will see from the free leaflet CGT4 (Capital gains tax: owner-occupied houses), which is obtainable from most tax inspectors' offices.

If your wife has an accountant looking after her business tax affairs, it would be best to consult him or her on the questions of (a) the income tax consequences of ceasing the business, (b) the CGT consequences of selling the goodwill etc., and (c) the prospective CGT consequences of the use of the stable for her business during part of your period of ownership. It is difficult to help you on these points without knowing the full background facts.

### *CGT and insolvent's assets*

**In 1974 I had a portfolio of shares in a merchant bank which went into liquidation. When the liquidator took over the bank's affairs, I was called upon for a large amount of money which resulted in my being made bankrupt. My shares were sold at the bottom of the market and there were losses of around £120,000. I have subsequently been discharged from bankruptcy which means that I am now in a position to invest in the future. Can I carry forward these losses against any future profits?**

Yes: assuming that the £120,000 losses are allowable losses (as computed under the CGT rules), they are deductible from future chargeable gains, without time limit. The point is specifically covered, in relation to insolvent's assets, by section 61(1) of the Capital Gains Tax Act 1979 (which reenacts paragraph 10(1) of schedule 10 to the Finance Act 1966).

### *Garden and rail cutting*

**My mother owns a property which backs on to a railway cutting. Recently the embankment began to fall away and is now undercutting the back of the garden and the fence. I wrote and complained to British Rail who replied—**

**"The Board has no obligation to give support to an adjoining owner's property but if it was found necessary at any time to carry out remedial work to the cutting, this will be done to protect the Board's land."**

**Surely British Rail have an obligation to maintain their property in good order so that there is no danger to adjoining properties? Is this something I should take up further with British Rail or with my solicitors, or would I be batting my head against a brick wall?**

The problem is a complex one and your mother would be wise to consult a solicitor. The courts have recently upheld a claim based on an adjoining owner's failure to retain land; but special considerations can arise where the adjoining owner is British Rail, whose predecessors may have acquired the railway land under statutory powers.

### *American wife's income*

**My wife is an American citizen and she receives a small income from dividends paid by U.S. companies in which she has shares. She keeps these dividends in the U.S. and does not transfer the income to this country. She is expected by the American I.R.S. to fill in an annual tax return but in most years, unless she has any capital gains her U.S. income is not big enough to make her liable to U.S. tax.**

**Should I declare her income in my (British) tax return and am I liable to pay U.K. tax on it?**

The simple answer to your final question is no, almost certainly. A full answer, however is dependent upon more facts than you have given us.

We take it that your wife considers herself to be domiciled in one the states of the U.S. (under U.S. law), but that you are domiciled in England and Wales. If you were married before 1974, therefore, your wife may be domiciled in England and Wales under English law, in accordance with section 1(2) of the Domicile and Matrimonial Proceedings Act 1973.

If you were married after 1973, you should be submitting your annual UK tax returns upon the special 11K designed for use by (amongst others) men whose wives are domiciled overseas. That being so, you will see from the form 11K that your wife's U.S. dividends (and the capital gains on sales of her U.S. shares) are not assessable to U.S. tax unless they are remitted to, or received in, the UK (for 1976-77 et seq.).

If you were married before 1974 and your wife still retains your English domicile (as a domicile of choice, under section 1(2) of the 1973 Act), you should immediately write to your tax inspector claiming for relief from UK tax (for 1976-77 et seq.) under paragraph 4 of article 4 of the U.S.-UK double taxation convention of December 31, 1975 (as amended by the second protocol of March 31 1977):

(4) A marriage before January 1, 1974 between a woman who is a U.S. national and a man domiciled within the UK shall be deemed to have taken place on January 1, 1974 for the purpose of determining her domicle on or after April 6, 1976 for UK tax purposes.

For 1975-76 and earlier years, your wife's U.S. dividends (but not her capital gains on U.S. shares) were exempt from UK tax by virtue of article XV of the U.S.-UK double taxation convention of April 16, 1945 (as amended by the fourth protocol of March 17, 1966).

## *Discovering where charity begins*

**TAXATION**

DAVID WAINMAN

A CHARITY is in one respect like that grossly overquoted elephant, difficult to describe but instantly recognisable when you see it. Elephants, however, enjoy total exemption from taxes.

A charity's exemption is not total, but it is valuable, and needs to be understood and handled with care if it is not to be jeopardised. The first necessity is to have a reasonably clear idea what a charity is.

Numerous cases have been considered down the centuries by the courts, the original framework against which decisions were made being the renowned "Statute of Elizabeth (Charities Act) 1601." A trust which infringed the rule against perpetuities must be invalid unless it was established "for charitable purposes only."

The 1601 Act was eviscerated in 1888 by the Mortmain and Charitable Uses Act, and what remained of it was repealed by the Charities Act 1960. That last-mentioned Act, and other recent legislation such as the Charitable Trusts (Validation) Act 1954 and the Recreational Charities Act 1958, are probably less significant in defining the general meaning of the word charity than are the various court cases already referred to.

There is general agreement that the seminal judgment is to be found in Lord Macnaghten's opinion in the Lords in the Pemsel case in 1891. "Charity in its legal sense comprises four principal divisions: trusts for the relief of poverty, trusts for the advancement of education, trusts for the advancement of religion and trusts for other purposes beneficial to the community not falling under any of the preceding heads."

The Charities Act 1960 does not define charities but it does require them (except for those falling within certain specified categories) to register with the Charity Commissioners or the Minister of Education. Whether a particular "established institute" or "endowment" has been accepted for registration is likely to be the conclusive factor when the Inland Revenue considers whether it is entitled to the tax exemptions under Section 360 Taxes Act 1970 for "a body of persons or trust established for charitable purposes only."

The Revenue can, however, oppose the registration of a trust which they consider not to meet the requirements and they can apply later for rectification of the register if they believe that any trust has ceased to qualify. Their other sanction, as we will see below, is to deny the various tax exemptions unless and until the income of the charity has been "applied for charitable purposes."

As well as getting repayment of tax deducted from deeds of covenant, charities are entitled to exemption from tax on interest, dividends and discounts, all of these embracing foreign income as well as that from UK sources. They are also freed from tax on rental income from foreign property, but not, curiously enough, all UK rents. It is only land "vested in trustees for charitable purposes" that is exempted (that belonging to hospitals, public schools and almshouses being specifically mentioned).

Charities pay no capital gains tax, nor development land tax, provided that the gains they make are used for charitable purposes. But a particular instance of a gain that would not be free under this provision is that arising where assets cease to be held for charitable purposes. They are in consequence deemed to have been sold and reacquired immediately before the change, so as to crystallise the relevant gain.

But it is when charities carry on trading activities that the complications really begin. There is a specific provision exempting profits applied for the purposes of the charity which are derived from activities forming one of the charity's primary purposes and mainly done by its beneficiaries. One thinks immediately of charities selling products from workshops which provide jobs for limbless ex-servicemen.

By concession, bazaars, carnivals and other fetes worse than death are free from tax if they are voluntarily organised to raise money for charity, are known by the public to be doing so, and do not compete with more commercial traders.

Trading activities which do not fit into either of these categories are not exempt—at least not officially. In fact there is a simple stratagem which achieves that objective. A company is established to conduct the trading activities, and it enters into a deed of covenant to pay over to the charity the whole difference between its income and its expenses.

Since that convenanted payment is allowable in the company's computation, its taxable profit is zero. And although the company is compelled to hand over income tax to the Revenue when it makes its payment to the charity, the latter immediately recovers that tax.

The Revenue does not cavil—but it does examine the accounts of the charity before repaying income tax it has suffered, or agreeing its capital gains exemption, in order to see how it has applied its funds. Accumulating them, unspent, is not enough.

But the "money raising charities" who hand out funds to be spent by other charitable trusts do not need to demonstrate precisely how those funds have been used thereafter "in the field."

## *An Amicable solution*

WHAT WOULD you do with the proceeds of three maturing with-profits policies paying out over £90,000? Three years ago, a policyholder with Scottish Amicable turned up at the counter of the company's Glasgow Head Office and actually asked this question. The answer, for Scottish Amicable policyholders, only came this week in the form of a new tax efficient investment facility for maturing policies. The scheme is also useful for those with more modest means.

The problem is that the policyholder, who has received his maturity money free of all taxes, has to consider which form of investment to chose. The options include linked-life bonds, all of which are less tax efficient than a qualifying life contract. The issue is of particular concern to higher rate taxpayers. Scottish Amicable's solution is to offer an investment in a linked bond which has the tax qualification status... The Qualifying Capital Investment bond has two advantages. The investor can draw tax free from the bond and subsequently cash it in free of taxes.

This compares with a normal linked-bond investment, where profits are subject to higher rate tax on the top-slicing principle and the annual withdrawal facility of up to 5 per cent of the original investment only defers the tax liability.

So one answer for investors with money from a maturing with-profits policy is to reinvest the funds in a qualifying linked life-bond.

The Scottish Amicable scheme offers investors a choice of six funds—equity, international, fixed-interest, property, cash and the managed fund, with facilities to switch between funds (the first switch in any year is free of charge).

There are certain drawbacks to this scheme that investors should bear in mind. First, the usual 5 per cent initial charge applies to the bond, though Scottish Amicable soften the blow by offering a 1 per cent increase in the maturity value to anyone investing in the bond.

Investors wishing to cash-in their money within a year or so would be advised to put the proceeds in a building society or bank deposit. Investment in any linked-bond should be a long term commitment.

Secondly, the investor has to commit all his maturity money from one policy into the bond; he cannot make a partial investment. Scottish Amicable achieves its plan by varying the terms of the maturing policy, altering it to a whole life contract at a "peppercorn" annual premium of £1 payable for as long as the bond is kept in force.

If more than one policy matures at the same time, some of the policies can be converted and the proceeds from the other policies retained.

Finally, in theory the investor has to make up his mind and complete all the formalities by the time the policy matures.

If the investor has no use for the money for several years and would only keep it in a bank or building society account, then he should seriously consider using this facility as the most tax efficient means of holding the money.

Since the investor has been holding a with-profits contract he may be a little confused as to which fund to hold. If in doubt, he should stick to the managed fund which leaves investment mix to Scottish Amicable with a possible switch to the cash fund ahead of the time he eventually wants the money.

Policyholders of with-profits contracts from other life companies which are shortly to mature, should ask whether they can get a similar facility. Some companies, such as Norwich Union and Equitable Life, can offer this conversion.

Others may not, either because the linked life operation is through a separate subsidiary company, as with Legal and General, or the company, unlike Scottish amicable, has taken the precaution of seeking clearance from the Inland Revenue and is still awaiting a decision.

**Eric Short**

# PROPERTY

## Rich men's island

BY JUNE FIELD

*It lies sequestered in a rural vale, and all its little cottages are uniformly neat and covered with the grateful vine.*
W. T. Money,
A Trip to Guernsey
*Kay's Mills, 1798*

AS SOON as one steps off the ship (Sealink's Earl's "Godwin" or "William" from Weymouth or the "Earl Granville" from Portsmouth) at Jersey or Guernsey a kind of other-world calm descends, however bustling the harbour. Although Jersey, of course, has acquired a considerably more dashing and sophisticated image since BBC television's *Bergerac*, a cops and robber series dealing with everything from spies to the problems of a retired army major, and featuring large elegant homes with a bevy of Rolls-Royces in the drive.

Closer to France than to Britain, originally part of the Duchy of Normandy, the Channel Islands are fiscally and financially autonomous although they had a nasty moment in October when a vote was taken in the House of Commons (rejected by 151 votes to 134), to introduce a Bill to stop them continuing as a tax haven.

So with their attraction as offshore financial centres (the preferred term), income tax at 20 per cent, no estate duties or VAT, plus a pleasant climate, peaceful atmosphere and easy access to the mainland, the Channel Islands are obviously a desirable place to live.

But it is not just a question of crossing the water and buying what you fancy in these havens of tax and tranquillity. For the outsider anyway, modest little cottages are a thing of the past, there are certain restrictions on buying and one needs to be very much in the higher price bracket. On Guernsey, where novelist Victor Hugo moved to in 1855 after being banished from Jersey because the local worthies did not approve of his life-style, to buy in the local, less expensive market, residential qualification or a housing licence is needed. Last month, however, restrictions were relaxed slightly with the granting of some extra licences for "central" workers and returning islanders.

In the main, outsiders must by in the "open market," from higher-rated properties on the Housing Authority Register. Swoffer Read and Heyworth in St. Peter Port, with partners Mr Pat Swoffer and Mr Adrian Heyworth, both Guernseymen, together with Mr Richard Read, an Englishman living on the island for many years, say that properties are selling, but slowly, usually at offers somewhat under the asking price. For instance, a pretty pink and grey granite house with four bedrooms and three bathrooms in St. Saviour, had just sold at £135,000 on a quoted figure of £147,500. Property on their registers recently included Maytrees, an attractive Regency house adjacent to Victor Hugo's home in the Rue de Hauteville, St. Peter Port, complete with art gallery, library and coach house at £395,000 and a house with a swimming pool at Les Abreuveurs, St. Sampson, between L'Ancresse Common and its golf course was £175,000.

Magnum Estates were offering a semi-detached guest house registered for 13 guests in St Peter Port (£93,000 negotiable), as well as an old-established nursery and garden centre on an historic 17-acre estate with a house rebuilt in 1969 using much of the granite from the original 15th-century dwelling. (Brochure from Mr P. Le Marchant, Magnum Estates, 5, Place du Commerce, Bouet, St Peter Port, Guernsey.) And for a free *Settling in Guernsey* booklet, plus a list of properties from £80,000 contact Lovell and Partners, Smith Street, St Peter Port, Guernsey.

"Property is slow-moving at present," agreed Mr Christopher Vermeulen, whose family have been involved in the property market for some years. "Because of this, we have moved our attention to the leisure industry, which we see as being an important trend in the future. This means timesharing, something completely new to the island, a way of bringing holiday houses within reach of the average person."

Beachside apartments at La Grande Mare Country Club are from £1,100 to £5,000 for one week's use for 32 years. For a brochure and details of a free two-day stay, contact Mr Vermeulen, La Grande Mare Country Club, Vazon Bay, Castel, Guernsey, Channel Islands (0481 56576).

An intriguing guide to older homes is John McCormack's *The Guernsey House* (Phillimore, £15), which lists 1,000 dwellings that are shown on the great map of the island that was prepared in 1787 for the Duke of Richmond. Mentioned is *Les Blicques*, one of the prettiest farmhouses on the island, with its huge Guernsey fireplace, grape vine and two barns, as well as Rohais Manor, c1700-1750, referred to as "entirely re-modelled. Some old walling," which still has its original pine staircase. Both were recently for sale through Swoffer Read and Heyworth.

Other delightful features to look out for in old houses are the original ventilation slit or byre window in the two-storey longhouse, called *le pour* in Brittany, which still survives, usually blocked with brick, the niche or *bénetier* over a front door, or even the "Guernsey safe." This consists of a pottery jar built into the masonry, its neck pointing slightly upwards and towards the room, a hiding-place for valuables. Another survivor is the bread oven, where the *gâche*, a sort of fruit loaf, and Guernsey biscuits, a kind of bread bun, would be baked once a week or fortnight.

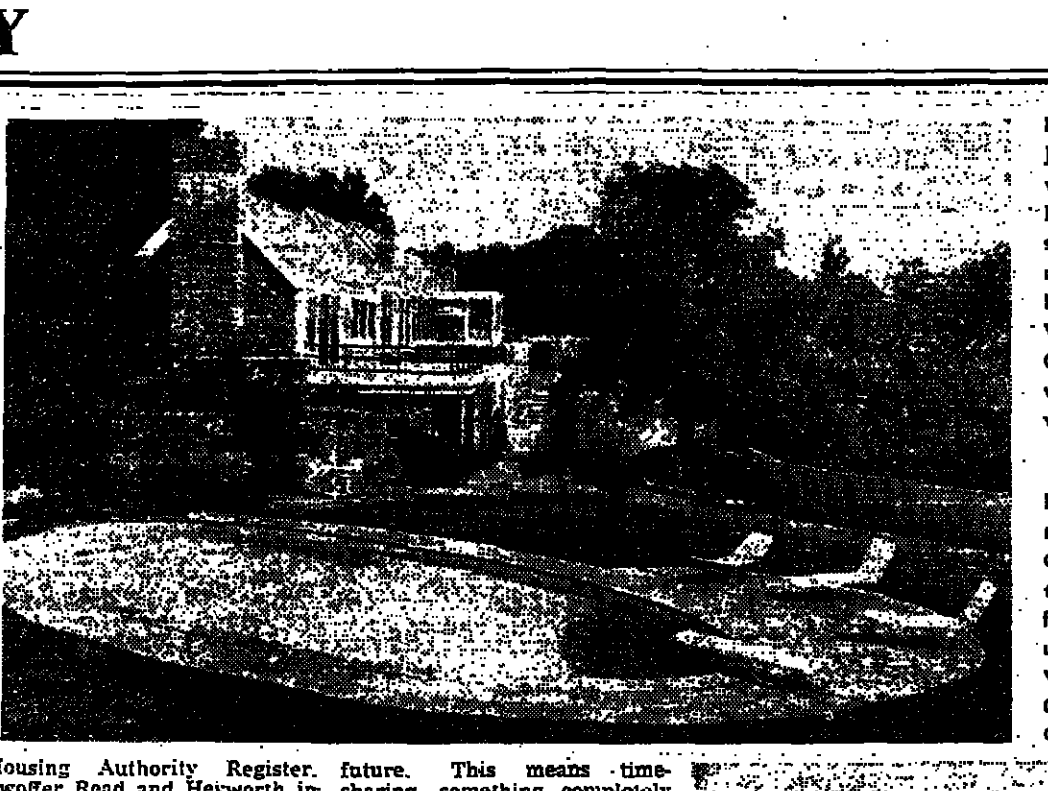
You need to be comfortably off if you want to buy in Jersey, where it is necessary to supply a statement of assets and income, certified by an accountant or banker, showing that you will be contributing a minimum £10,000 a year in Jersey tax, and it is also obligatory to buy in the "substantial" class, that is, around £200,00-plus. Even the Jersey-born, with less than 10 year residence, according to the lengthy "Guide to the Housing Law and Regulations" leaflet, "neither qualify to lease nor purchase any property." And if you are living there under "wealthy immigrant" consent, you could lose your qualification if you leave the island for more than three months.

Expected to increase Jersey's popularity with the sailing fraternity is the new yacht marina at the upper end of St Helier Harbour, which is being promoted at the International Boat Show at Earl's Court in January.

*Mr W. P. Benest of Langlois*, agents in Don Street, St Helier, reports that "interest in the island has been quite buoyant over the past year, with some 12 large properties in the £250,000 to £600,000 range changing hands." Meadowside, St Mary, was bought by Mr D. N. Keaton, "personal friend of ex-U.S. President, Mr Gerald Ford, who is expected to holiday there," and Noirmont Manor, St Brelade, where actress and royal favourite Lillie Langtry spent her honeymoon (she scratched her name on a window in the dining-room with her diamond engagement ring), was sold recently to a purchaser who wants to remain *anonymous*.

Recently on offer Langlois had the five-bedroom, three-bathroom Beauvoir, St Saviour, overlooking St Clement's Bay where the sand and reefs run out for three miles. The price was £400,000, including staff quarters and two cottages.

● Travel booklet from the Publicity Department, Sealink UK, South Western House, Canute Road, Southampton, and general information leaflets from Mr M. J. Walden, States tourist Committee, St Peter Port, Guernsey, and Miss Ann Walker, Tourist Information Centre, St Helier, Jersey.



Left. Country estate in 20 acres in Jersey includes a large family house with accommodation for staff, heated pool, paddocks, stable and sand-school, plus a private automatic branch exchange. Details Mr A. J. Cox, Beck and Deane, 1 Waterloo Street, St. Helier, Jersey, Channel Islands (0534 72356), who with Hampton & Sons, St. Helier, were asking £450,000.

Below. Beachside apartments recently built at La Grande Mare Country Club, Guernsey, where a time share week can be bought from £1,100 to £5,000 for a 32-year use. Brochure from Mr Christopher Vermeulen, La Grande Mare Country Club, Vazon Bay, Castel, Guernsey, Channel Islands (0481 56576).

# GOLF

## Measures of excellence

GOLF
BEN WRIGHT

Now that the strangely fascinating 1981 season has been relegated to the history books it is interesting to look back on a year of contradictions. Two months ago a strong case could be made out for both Tom Kite in the United States and West Germany's Bernhard Langer in Europe as the undisputed Player of the Year in their respective theatres of operations. Indeed the consistently excellent Kite had already won the Arnold Palmer Trophy as the leading money winner ($375,699), the Vardon Trophy for the lowest stroke average (69.80), only the third player in 20 years to finish below 70—Billy Casper, 69.82 in 1968 and Lee Trevino, 69.73 in 1980 were the others—and the USPGA Player of the Year award. Since then the Golf Writers' Association of America have voted Kite their Player of the Year also, giving him their title by a whisker over Bill Rogers, the Open Champion, which in my opinion is a considerable disgrace, since by doing so they put filthy lucre before sweet victory.

While in no way wishing to disparage Kite's incredible feat in recording 10 finishes in the top five in American events and 21 finishes in the top 10 in 26 starts—and I have not forgotten the extremely industrious little Texan's brilliant Ryder Cup performance, or his most recent victory in the J. C. Penney Mixed Team championship last weekend in Florida alongside the season's leading woman money winner Beth Daniel—he was distinctly fortunate to register his lone victory at Inverary in early March. To refresh your memory Jack Nicklaus dropped strokes to par at two of the last three holes, overnight leader Curtis Strange one at all three, and Kite made birdies at the 16th and 17th to pass them—against all the odds.

The similarly consistent Langer so outdistanced his rivals in Europe to win a record £81,036 to second placed Nick Faldo's £48,108 that it would be hard to dispute his right to Player of the Year honours, which will almost certainly be his when the Association of Golf Writers' trophy voting is announced next week.

But the events of the last two months have certainly put a different complexion on things. By winning both the New South Wales and Australian Opens Rogers has written a devastating postscript to a momentous season that has seen him emerge in world class. In previously winning the Heritage Classic, the World Series of Golf and the Texas Open in America, our Open and the prestigious Suntory Open in Japan for the second successive year—and also finishing second in the U.S. Open—Rogers really is the Player of the Year for the world, with Kite an honourable second.

Likewise the form of Spaniard Seve Ballesteros since he stopped squabbling with the European Tournament Players' Division and returned to the fold has been nothing short of sensational. After "losing" the European Open by two strokes by collapsing to a 74 to Australian winner Graham Marsh's 68—having led overnight by four shots—at sunburned Hoylake in early September, Ballesteros has been virtually unstoppable. In quick succession he has won the Spanish Open in Barcelona by virtue of a blistering final round charge that earned him a 65 at El Prat, the Suntory World Matchplay championship, in which he beat his deadly rival Hale Irwin, Greg Norman, Langer and finally the eternal bridesmaid Ben Crenshaw at Wentworth, the Australian PGA championship by coming from nine strokes behind the leaders with 36 holes to play at Royal Melbourne, and the Dunlop Phoenix tournament in Japan by an easy three strokes with, amongst others Isao Aoki, Tom Watson, Larry Nelson, Kite and Langer floundering in his wake.

It was a good thing for Langer that he won the German Open and the abbreviated, rain-ruined Bob Hope Classic among his plethora of second placed finishes, and that Ballesteros's reconciliation with authority — he had previously won the Scandinavian Enterprises Open as an "outlaw" — came too late to allow him to be considered by the European writers whose prestigious trophy he had been too busy to accept during his "off" season of aberration. In any case it will take time for some of my brother scribes' wounds to heal.

Since our Ryder and Walker Cup teams went down to their usual defeat it is perhaps better to focus on the Great British and Irish team of club professionals who achieved a magnificent 10½-10½ points tie against their American counterparts in the PGA Cup matches at Turnberry Isle Country Club in Florida in mid-October. These largely unsung heroes came from behind on the final day to sweep the singles series by six points to three. Easily the lowest rated — at least on paper — and least tournament toughened members of our team, the 1981 Club professional champion Michael Steadman, a 33-year-old former boxer who runs the Cleeve Hill, Cheltenham municipal club, and the burly 35-year-old John Yeo, professional at St Mellion near Saltash in Cornwall, came through the matches unbeaten both as a partnership and individually. In winning the two top singles they paved the way for our glorious comeback that saw the whole event hinge on the final putt.

Tom Kite

Watson, Australia's David Graham, Rogers and little Larry Nelson were outstanding in their own different ways in winning their major titles, and the last-named a revelation in extending his Ryder Cup record to nine wins in nine outings. On a slightly lower level Peter Oosterhuis at last broke his duck on the American continent in the Canadian Open that no one else seemed to want to win, and Tony Jacklin at last won again. Nathaniel — son of the late Bing — Crosby and bespectacled Frenchman Philippe Ploujoux were courageous if unlikely winners of the U.S. and British amateur championships respectively, the former because he was only number three on his college team at the time, and the latter because his victory was about as improbable as would be that of Inspector Clouseau in the Open Championship.

## BUILDING SOCIETY RATES

| | Deposit rate % | Share accounts % | Sub'pn shares % | *Term shares % | |
|---|---|---|---|---|---|
| Abbey National | 9.50 | 9.75 | 11.00 | 11.76 | 6 years. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare |
| Aid to Thrift | 10.50 | 10.75 | — | — | |
| Alliance | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 £500 min., 3 mths.' notice |
| Anglia | 9.50 | 9.75 | 11.00 | 12.00 | 6 yrs., 10.75 1 mth. not. int. loss |
| Bradford and Bingley | 9.25 | 9.75 | 11.00 | 10.75 | 1 mth. not. deposit |
| Bridgwater | 9.50 | 9.75 | 11.25 | 11.75 | 5 yrs., 10.85 2½ yrs. |
| Bristol Economic | 9.75 | 10.50 | 11.00 | 9.75 | 3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y) |
| Britannia | 9.50 | 9.75 | 11.00 | 11.25 | 4 yrs., 11.00 2 months' notice |
| Burnley | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 10.75 3 months' notice |
| Cardiff | 9.50 | 10.50 | 11.50 | — | |
| Catholic | 9.50 | 10.00 | 11.00 | 11.25 | Extra share 3 months' notice |
| Chelsea | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.15 1 yr., 10.75 3 mths. |
| Cheltenham and Gloucester | 9.50 | 9.75 | 11.00 | — | |
| Cheltenham and Gloucester | — | 10.75 | — | — | Gold Account. Savings of £1,000 or more (9.75 otherwise) |
| Citizens Regency | — | 10.00 | 11.25 | 12.00 | 5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c |
| City of London (The) | 9.75 | 10.00 | 11.25 | 11.25 | Capital City shs. 4 mths.' notice |
| Coventry Economic | 9.50 | 9.75 | 11.25 | 11.50 | 4 yrs., 11.25 3 yrs., 11.00 3 mths. |
| Coventry Provident | 9.50 | 9.75 | 11.00 | 10.75 | E.I. a/c £500 min. 11.00 £5,000+ |
| Derbyshire | 9.50 | 9.75 | 11.00 | 10.25-10.85 | 3 months' notice |
| Ealing and Acton | 9.50 | 10.25 | — | 10.90 | 2 years, £2,000 minimum |
| Gateway | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.25 4 yrs., 10.75 3 yrs. |
| Gateway | — | 10.75 | — | — | Plus a/c £500 min. int. ½-yearly |
| Greenwich | — | 10.00 | 11.25 | 12.00 | 5 yrs., 11.25 3 months' notice |
| Guardian | 9.50 | 10.00 | — | 11.75 | 6 mth., 11.25 3 mth., £1,000 min. |
| Halifax | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.25 4 yrs., 10.75 3 yrs. |
| Heart of England | 9.50 | 9.75 | 11.00 | — | 3 mths.' notice 10.75, 5 yrs. 11.75 |
| Hearts of Oak and Enfield | 9.50 | 10.00 | 11.50 | 11.25 | 4 yrs., 11.00 3 yrs., 10.75 2 yrs. |
| Hendon | 10.00 | 10.50 | — | 11.50 | 6 mths., 11.25 3 mths. |
| Huddersfield and Bradford | 9.50 | 9.75 | 11.00 | 11.25 | 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 11.05 Golden Key 28 days' penalty interest |
| Lambeth | 9.50 | 10.00 | 11.75 | 12.00 | 5 yrs., 11.75 6 months' notice |
| Leamington Spa | 9.60 | 9.85 | 13.20 | 11.35 | 1 year |
| Leeds Permanent | 9.50 | 9.75 | 11.00 | 10.50 | E.I. a/c £500 min., 10.75 £5,000+ |
| Leicester | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.25 4 yrs., 10.75 3 mths. |
| Liverpool | 9.50 | 9.75 | 11.05 | 11.75 | 5 yrs., 10.80 1 mth. int. penalty |
| London Grosvenor | 9.50 | 10.25 | 12.00 | 10.75 | 3 months' notice |
| Mornington | 10.20 | 10.70 | — | — | |
| National Counties | 9.75 | 10.05 | 11.05 | 10.75 | 35 days' notice min. dep. £500, 6 mths.' 11.15 min. dep. £500 |
| Nationwide | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice |
| Newcastle | 9.50 | 9.75 | 11.00 | 11.75 | 4 yrs., 10.75 2 mths.' notice or on demand 28 days' int. penalty |
| New Cross | 10.50 | 10.75 | — | 10.75-11.50 | on share accs., depending on min. balance over 6 months |
| Northern Rock | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.25 4 yrs., 10.75 3 yrs. |
| Norwich | 9.50 | 9.75 | 11.25 | 10.75 | 3 yrs., 10.50 2 yrs. |
| Paddington | 9.25 | 10.25 | 11.75 | 11.00 | Loss 1 month int. on sums wdn. |
| Peckham Mutual | 9.75 | 10.75 | — | 11.25 | 2 y, 11.75 3 y, 12.25 4 y, 11.0 Bns. |
| Portman | 9.50 | 9.75 | 11.25 | 11.75 | 5 yrs., 11.00 6 months' notice, 10.75 3 months' notice |
| Portsmouth | 9.85 | 10.05 | 11.55 | 12.10 | (5 yrs.) to 11.50 (6 mths.) |
| Property Owners | 9.75 | 10.25 | 11.75 | 11.75 | 4 yrs., 11.75 6 mth., 11.05 3 mth. |
| Provincial | 9.50 | 9.75 | 11.00 | 12.00 | 4 yrs., 11.25 3 yrs., 10.75 2 mths. |
| Skipton | 9.50 | 9.75 | 11.00 | 10.85-11.00 | 28 days' interest penalty |
| Sussex County | 9.75 | 10.00 | 12.25 | 11.00 | instant withdrawal option |
| Sussex Mutual | 9.75 | 10.25 | 11.50 | 10.50-11.75 | all with special options |
| Town and Country | 9.50 | 9.75 | 11.00 | 11.75 | 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wdl. 28 days' int. loss |
| Wessex | 9.75 | 10.75 | — | — | |
| Woolwich | 9.50 | 9.75 | 11.00 | 11.75 | 3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not. |

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.



RESIDENTIAL PROPERTY ALSO APPEARS TODAY ON PAGE 7.

LEISURE

# In sleeping bags under Arabian stars

I HAD NEVER camped in my life. But as a member of a pioneer tour group to the United Arab Emirates I had to spend a night in a sleeping bag in the desert. Not even a tent, but I lived to tell the tale of a marvellous experience, which should give courage to all cowards.

When the moon came up we left the remains of an excellent barbecue around the camp fire and walked through the dunes, the sensuous feel of soft sand slithering beneath our feet. In the distance could be seen the faint lights of a Bedouin settlement we had passed in the afternoon.

At around two in the morning deep breathing and snores came from inside the seven sleeping bags. It was cold, the chill wind whistling down my neck, and only utter necessity induced me to climb out and disappear behind a private dune. Overhead the stars twinkled, but closer in time flashed the lights of aircraft bound for Dubai where transit passengers can buy the world's cheapest liquor.

Before first light we were woken by the call of the muezzin. Even in the Arabian desert one is never far from a mosque. Small footprints came to within an inch of our heads and feet: desert rats, abominable sandmen? Nothing more scary, we learnt later, than hermit crabs, but a secretary at the Holiday Inn in Khor Fakkan, a new beach resort on the east coast, had once before woken at another dune and looked into the face of an inquisitive donkey, both heads—his and hers—glistening wet with desert dew.

Tourism is new to the United Arab Emirates, but the fascination of seeing oil-rich Arabs at home could be as powerful an attraction as their winter sunshine.

Our tour was centred on two of the seven Emirates, Dubai and adjoining Sharjah, which look like one huge building site. A few old houses retain the traditional wind towers, but air-conditioning has rendered them redundant. High-rise blocks—most less than 10 years old and built since the oil boom—pepper the landscape.

Most airlines fly to Dubai, ignoring the magnificent white airport built by Sharjah's proud shiekh. It could handle 2m passengers a year, but fewer than 90,000 use Sharjah. Still, tourists are taken to admire the vast emptiness, the superb architecture and a perfect scale model which has an unliveried Concorde poignantly posed beside an empty loading bay.

The ruler's lounge for male VIP guests is large and luxurious; all women of lesser rank than head of state are relegated to a room of modest proportions below stairs. Outside in the 93-degree autumn sunshine, families picnicked among the bougainvillea, palms and pink oleanders on the hand-watered, well-manicured grass lawns. But no plane came.

The lust for gold (tax-free) grabs most visitors to Sharjah and Dubai, where the gold souks gleam with the stuff that has made pirates and killers out of honest men. Finest Florentine jewellery and glorious copies of Rajput treasures are weighed and the prices assessed by their gold content, the craftsmanship of little interest to the affluent, paunchy merchants. While I agonised over how much I could afford, Arab men—their white disdashes rustling around them, their several wives with faces hidden by *burqas*, purchased whatever took their fancy.

Dubai has a small museum and a spice market that scents the air with divine odours. It is fashionable to hold sporting events: though the world's costliest tennis tournament played to empty stands, many locals enjoy cricket and football. The track of the 1981 Grand Prix was around the Hyatt Regency, and anyone foolish enough to check in that day had to cross the track. The golf course is made from a mixture of oil and sand, and you roll up your portable "grass" tee strip and progress from hole to hole.

For 100 Dirhams you can hire an abra, or water taxi, and spend two hours on Dubai Creek. Pop into the Sheraton

**TRAVEL**

LAILAN YOUNG

and dinner with a Filipino dance band accompaniment is about 380 Dh for two, plus drinks, or a ten minute taxi ride away is good Lebanese cooking at Estanbouli restaurant where the atmosphere is very Middle Eastern and heady, though no drinks are allowed: about 40 Dh for two.

Sharjah's fish market is more photogenic than most in Europe: red mullet, sea bass, tuna, the local favourite—hamour, baby shark, cigalias looking like grey crayfish, and scores of fish unknown to Europeans. At the fruit and vegetable market some of the stallholders will even permit you to photograph their wives, a treat for amateurs unskilled at surreptitiously shooting with telephoto lenses.

Seven out of ten inhabitants are foreigners, brought in to work in this fourth-largest oil-producing nation in the Arab world. Most are from nearby Moslem lands, though there is a strong feel of the Indian subcontinent everywhere: ex-Bombay tailors pedalling at old Singer machines, Pakistanis toiling in the date groves, Kwality icecreams, and "Beware of cheap imitations" notices put up by Indian purveyors of textiles and household goods.

The driving is hair-raising. Crumpled wrecks line the roads, left there as a lesson, unheeded though, of the perils of bad driving; some are yesterday's Cadillacs and Mercedes.

To enjoy the Land-Rover excursions to the desert, oases and wadis, it helps to believe in an after-life and be generously padded below the waist to withstand the crashing bumps and terrible heavings of the curiously exhilarating ride. The drivers love to hear their passengers scream and the tyres screech.

Tourists are still a novelty, so you should ask for, but not necessarily expect to be offered, some of the unusual outings we heard mentioned: camel races in the desert, a wedding, falconry, a 4,500-year-old tomb in Hilli or a journey past mountains which look like giant slagheaps cover with pebbledash, yet much higher than anything in Britain, to the northern stomping grounds of the legendary Queen of Sheba.

We only had time to sunbathe and use the excellent watersports facilities at the Holiday Inn at Khor Fakkan with a backdrop of tankers on the horizon, and we called in at the container port where the British management seems to enjoy visitors. We reached the oasis of Al Ain where the caravans from the Emirates, Oman and Saudi Arabia used to converge, and wandered along the narrow lanes among the adobe dwellings.

The summers are hot (125 degrees) and humid (100 per cent), so autumn and spring are best, though April has sandstorms. Unlike other Arab states we were not pestered to buy, give, or have our sandals cleaned.

If you have time and money and love the sea, you could buy a dhow for £18,500 and sail it home, the owner of one of the world's loveliest and most stately ships.

**Information: Nawas, 19 Great Porland Street, London W1 and Martlet, 94a Brompton Road, London SW3 jointly organise tours with Holiday Inns and British Caledonian to the UAE. Seven nights £549, nine £664, half-board £52 and £87 respectively. If you are female and travel on a non-British passport you could be denied entry even with a valid visa; a government spokesman said that non-British women, even if accompanied by a British husband, would only be admitted "at the discretion of airport officers."**

**Car rentals: Mazda 323 130 Dh a day, Mercedes 200 300 Dh a day.**

Dubai, the new mosque for Sheikh Rashied a Jumeirah

Terry Kirk

# Bonsai art of dwarfing trees

BONSAI, the Japanese art of dwarfing trees, is one branch of horticulture I have never tried to master despite my admiration for some of the marvellous examples one sees at shows up and down the country. I have been deterred mainly by the thought that to make really good bonsair required a degree of sustained application I would not be able to give and the latest book on the subject, "The Art of Bonsai" (Ward Lock, £7.95) does nothing to alter that view. Its author, Peter Adams, is a graduate of Farnham School of Art and post-graduate of the

**GARDENING**

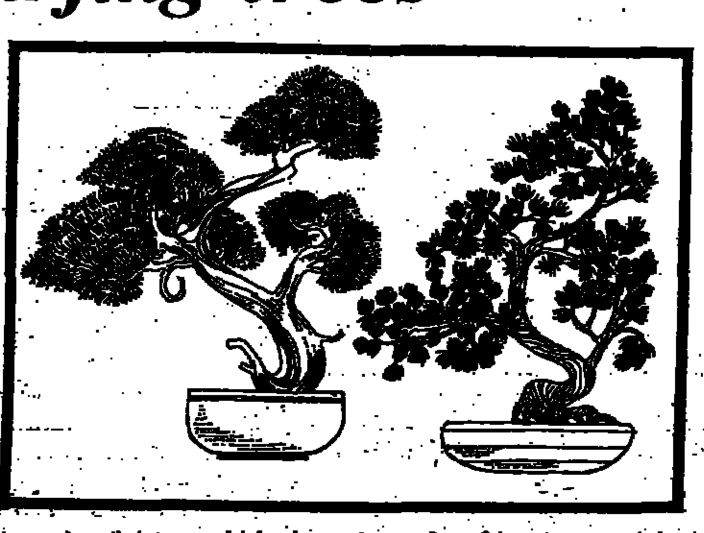
ARTHUR HELLYER

Royal Academy Schools, Burlington House, qualifications which emphasise the point that bonsai, properly interpreted, is as much a branch of art as it is of gardening.

Mr Adams has been growing bonsai for 27 years, and now has a bonsai nursery so he knows what he is talking about. He also conveys his expertise in great detail, and on the whole, clearly though what I presume to be the jargon of the art does occasionally obtrude between him and his less erudite readers. I would wish, for example, that he did not always refer to the empty spaces between solid objects as "negative areas" but one soon gathers what is meant and numerous line drawings of work in progress are most helpful as are the numerous photographic illustrations in colour and monochrome of good bonsai specimens.

There are, I believe, numerous popular misapprehensions about the cultivation of bonsai, one of the commonest being that these miniature trees are intended for indoor decoration and are mainly grown in rooms. This is totally incorrect since bonsaid need abundant light, and especially light at the ultra violent end of the spectrum, to keep them dwarf, compact and healthy. The light intensity in rooms is far too low and its quality unsuitable unless supplemented by special lighting, a solution not considered by Mr Adams possibly because he does not regard it as practical. For him bonsai are always grown outdoors fully exposed to the sun and, if pososible, standing on slatted shelves, at a height convenient for viewing and working. If they are brought indoors at all it must only be for a few days at a time.

Another common misunderstanding is that bonsai trees are starved to keep them dwarf. This is far from correct since lack of food would result in poor foliage and sad looking trees quite unlike the true aim of bonsai which is to produce trees in miniature which show all the most decorative and desirable qualities of mature trees.



Yet I confess to being surprised by the level of feeding which Mr Adams recommends. He suggests three fertiliser mixtures designated by letters. A contains nitrogen, phospherus and potash in the percentages 6.6, 7.7 and 5.0 which is typical of many general purpose garden fertilisers. Feed B has the percentages 10, 10 and 27, precisely those of the trade fertiliser Phostrogen while feed C has no nitrogen but only phospherus and potash each at 10 per cent.

Feed A is used dry at half a teaspoonful per application scattered evenly over the surface of a 6-in pot containing compost to a depth of 2 in. Feed B is dissolved in water according to manufacturer's instructions and given as abundantly as water is required at the time of application. Feed C is used in the same way but the dilution is one part to 600 parts of water.

For deciduous non-flowering trees feeding with mixture B is given twice weekly for two weeks when buds begin to open, then continues once a week for a further three weeks, after which it becomes fortnightly but alternating every other week with feed A until finally, in August, feed C takes over and is used once that month and again in September. I would have imagined that this sequence would produce a lethal build up of chemicals in so small a volume of soil but apparently this is not so presumably because of the fairly high rate of watering, aimed at keeping the soil unformly moist most of the time, aided by the porosity and lack of nutritional value of the compost for which a mixture of equal parts of leaf mould, peat, rotted pine needles and grit is recommended.

The bonsai that have always appealed to me most are the groups of little trees that look like tiny coppices or clumps growing in open, windswept places. What I had not previously realised is that there are three quite different methods of producing these.

One, known as the raft style ikadabuki, is based on a single trunk from which all branches are removed on one side. On this bared side small pieces of bark are removed near the nodes and the wounds dusted with hormone rooting powder. The trunk is then laid flat on the compost, bared side downwards and covered with more compost, the roots being teased out so that they too can be covered. The branches remaining on the upper side then become individual trees in their own right and form the basis of the finished group.

A second method, known as the root connected style or netsuranari, involves layering beneath a cluster of branches and then using the multi-stemmed plant that results as the basis of the finished clump by laying them, while still young and flexible, flat on the ground and radially so that each may eventually be allowed to produce an erect stem to become a trunk at a little distance from the centre.

The third method, which seems to provide scope for the most varied and imaginative effects, is known as the group style or yose ue and consists in growing each specimen separately for a few years during which it is pruned and trained to obtain the necessary size and shape desired in the finished group which must be accurately visualised from the outset. Finally these separate elements are assembled according to this preconceived plan. An advantage of this method is that it gives much greater scope for variety of arrangement since each little tree can be placed in any desired relationship to the others and is in no way restructed by being physically united to a common parent.

Even when groups have been formed, by whatever method, constant care is required to keep them well balanced but this is equally true of individual specimens of bonsai. Pruning never entirely cases however old and well formed the tree for it will always be ready to make new growth where it is not wanted, crowding the open spaces between branches and threatening to unbalance the specimens.

Dwarfing is effected in part by regular pruning, much but not all of which is a process of nipping while shoots are very young and soft, and also by repotting accompanied by root pruning. Even this is an art requiring much skill and judgement. After the little tree has been carefully removed from its container the outer third of soil is washed and stroked away with a pointed stick so that the colour of the roots can be seen. Those that are old are darker than the young and active rootes and it is these ageing ones that must be removed first, after which there may be a little further thinning of surface roots but not more than 20 per cent reduction at any one operation.

# How to buy cheap diesel fuel

IS IT WORTH buying a diesel car in Britain? A year ago, when I began a long-term test of a Peugeot 305GLD estate, I hoped to cover at least 12,000 miles and be able to answer this question. I still cannot.

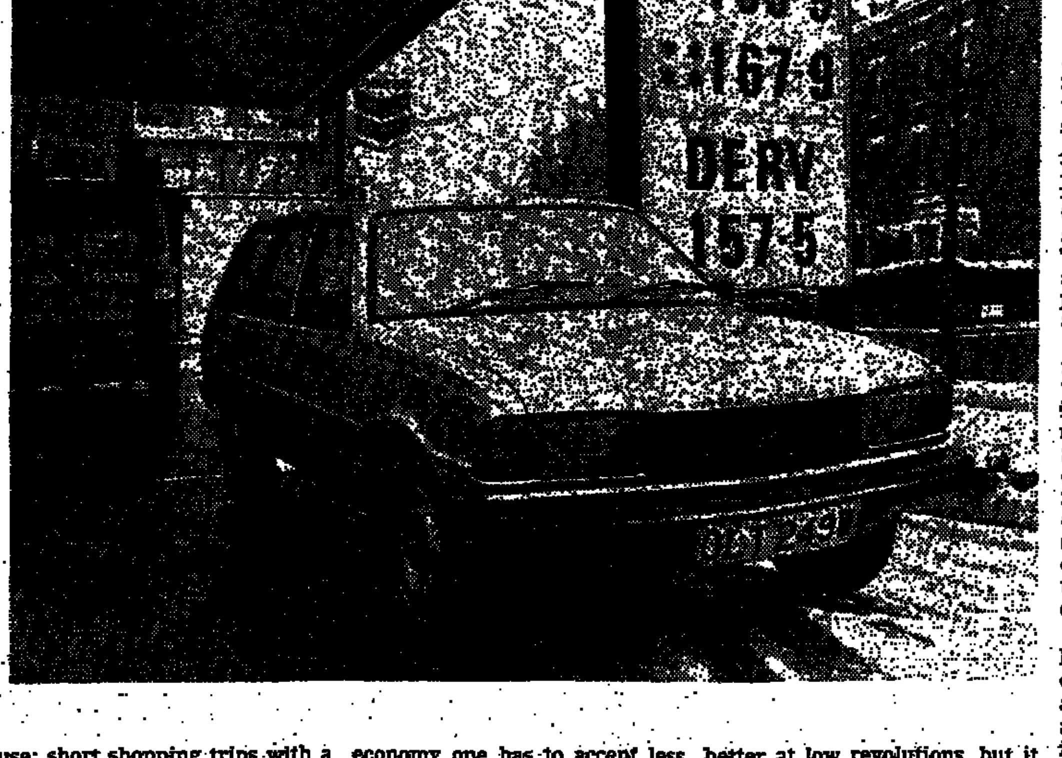
Driving the 12,000 miles was no problem; deciding if a diesel car is cheaper or dearer to run than its petrol equivalent is difficult. For example, the price of Derv fuel—and, more important, its relationship to that of a gallon of four-star—has fluctuated as wildly in the last 12 months as the international value of sterling.

At worst, I have paid 20p a gallon more for Derv than

**MOTORING**

STUART MARSHALL

petrol; at best, 19p a gallon less. (That is in Britain. In Italy I bought Derv for 80p, less than half the price of petrol). All one can safely say is that since the Budget duty increase of 20p a gallon was halved on Derv and left on petrol, diesel fuel has had a price advantage. But the chaotic state of petrol pricing ensures that it is rarely as cheap to the retail buyer as it should be. Few filling stations discount Derv to catch the passing trade. The best thing is to patronise a site that serves a lot of taxi drivers. One I can recommend is the Chevron station in Kings Cross Road. Their Derv (£1.57½ this week) is one of the cheapest you will find in London and, the Motor Agents' Association may be interested to hear, they don't make a Barclaycard surcharge.




The Peugeot has been exceptionally fuel efficient. My average over the whole 12,000-plus miles has been 44.9 mpg. The car has had all kinds of use; short shopping trips with a cold engine, relaxed journeys cruising at 50-55 mph and some hard-driven motorway runs here and over the Channel. Best consumption per tankful was 52.2 mpg (unhurried though heavily loaded driving in northern France), the worst 33 mpg for a fast 300 miles on the autobahn.

Bear in mind that the almost 45 mpg Peugeot 305 is a roomy 5-seater, with a longer wheelbase and greater load capacity than a Cortina. I chose it for long-term assessment because I considered it was the best medium-sized estate car on the British market. Nothing in the last year has made me change my opinion.

In return for this exceptional economy one has to accept less performance. Acceleration (22.5 seconds from 0-60 mph) is slightly worse than a Mini 850's. Its best cruising speed is around 60-65 mph, though it will sustain 80-85 mph indefinitely if time counts for more than fuel saving. The engine has a thunderous tickover, especially after cold starting, but its deep hum when motorway cruising doesn't stop enjoyment of the radio.

At low speeds the engine sets up some body vibrations. In general, I don't rate the Peugeot's purpose-designed, light alloy diesel as highly as the VW Golf's which is a petrol motor converted to diesel operation. The Peugeot's will slog away better at low revolutions, but it is a coarser engine than the Volkswagen's. Providing you use the pre-heat position on the "ignition" key properly, it is an infallible first-time starter.

The only snags have been trivial; a broken parking light bulb, a sticking tailgate catch and a shattered windscreen, thankfully replaced by laminated glass. The engine died one bitter morning in late spring. A hard frost had caught me with a tankful of summer specification fuel; its wax content crystallised and choked the filter. Normally, the oil companies treat Derv at the refinery to prevent this from happening. The unexpected cold snap caught them unawares.

Perhaps the biggest disadvantage of the Peugeot diesel is its need for servicing at 3,000 mile intervals. They demand an engine oil and filter change at 3,000 miles and a medium service every 6,000 miles. The small service costs about £18. A DIY owner could halve this. Providing nothing more than routine attention is needed, a 6,000 service would be around £30, a 12,000 mile service £45. The engine oil filter is highly accessible; the battery filler plugs almost impossible to get at.

I cannot see that a high mileage owner should have to worry about 3,000 mile servicing. VW make do with 5,000 miles intervals for their diesels and the Peugeot uses a litre of oil every 1,000 miles. At that rate the 30,000 miles-a-year owner need have little fear of contaminated oil. He would be changing it by instalments at the rate of a litre every ten days.

As a car, I like the Peugeot. It has an excellent ride, balanced handling, light steering and a slick gear shift. The seats are most comfortable and there is ample legroom in the back.

The list price premium for the diesel engine is £700 (£5,580 against £4,880) though what you pay at the showroom is another matter. Can this differential be justified? Over 12,000 miles, clearly not, as my 45 mpg against a probable 35 mpg for the petrol GL estate saves only 77 gallons of fuel worth £130 at current prices.

I will have to duck the "Are diesel cars worth it?" question for now. Ask me again in another year or two, when petrol is over £2 a gallon, Derv's price advantage will probably have increased and a used 305 will be worth more with a diesel than a petrol engine.

# BOOKS

## Deadline

BY PETER QUENNELL

**Death of an Editor:**
by Peter Shankland with a foreword by the Right Hon Sir Michael Havers, QC.
William Kimber, £9.75. 223 pages

During the last days of July 1914, two dramatic questions jockeyed for space in every serious British newspaper. Since "Austria had elected to resort to the sword," "Germany had refused to intercede," and Parisian crowds were vociferating "*A Berlin!*", was not Europe on the brink of war? Secondly—an almost equally absorbing problem, to which the *Express* devoted most of its front page—were Madame Joseph Caillaux's love-letters to be read aloud in court?

Both questions, as it happened, were connected with a crime of violence. On June 28, a Balkan terrorist had assassinated the Archduke Ferdinand of Austria at Sarajevo. On March 16, Henriette Caillaux, wife of a former French Prime Minister, who was then Finance Minister, having bought a new pistol and carefully tried it out, walked into the office of *Le Figaro* and shot down a distinguished but unscrupulous journalist Gaston Calmette in his editorial chair. He died that same night. Madame Caillaux's trial for murder began on July 20. She was defended by the celebrated advocate Fernand Labori, once the gallant defender of Dreyfus and a Leader of the Bar.

It was an extraordinary and wildly impassioned trial as only a French trial can be; and the passions it aroused were both personal and political. Calmette himself was an extremely complex character, a man, we are assured, of great charm and considerable literary taste, to whom Proust had dedicated *Du Côté de chez Swann* (for which he had done his best to find a publisher) "*comme un témoignage de profonde et affectueuse reconnaissance*," yet a savagely vindictive politician: and recently he had been conducting a ferocious campaign against the powerful Finance Minister, raking up every scandal, or alleged scandal, that might help to blast his reputation and reduce his public and his private life to ruins.

Such was the political background of the Caillaux trial. Caillaux was a Radical-Socialist and a staunch Republican, "midway between extreme Nationalism on the Right and Communism on the Left," in short a middle-of-the-road man and thus detested by the Nationalist and Royalist factions. His worst crime, however, from his opponents' point of view, was his masterly handling of the Agadir Crisis, when Germany had despatched a gunboat to Morocco as a deliberate challenge to France's colonial interests; and Caillaux, Prime Minister at the moment, had effected a diplomatic compromise that brought his country "Peace with honour." This success enraged the ultra-Nationalists. They labelled him a mercenary traitor, probably in German pay, and even alleged that the Emperor had rewarded Madame Caillaux with a diamond-studded crown.


'Acquitted!'—Henriette embraces her defending counsel, an illustration in an account of the Caillaux Drama, reviewed today

Her trial was also complicated by the fact that Henriette Caillaux was his second wife, and that her divorced predecessor, a singularly malevolent person, had broken open his desk and stolen some of the letters he had addressed to Henriette before their marriage—letters that, particularly if they were quoted out of context, threw an unfavourable light upon his views and dealings. In his foreword to Mr Peter Shanklin's excellent study of the drama, our present Attorney General reminds us that much of the evidence heard would have been dismissed as totally irrelevant by a modern English judge; "witnesses," an American authority agrees, "were encouraged to talk about themselves, about their emotions, about what other people . . . had told them, and were allowed to indulge in heated political argument." Each of the two female protagonists, moreover—Madame Caillaux and the embittered ex-wife Madame Gueydan—was permitted to exercise her histrionic gifts. Wearing tremendously feathered hats, they became the heroines of a Racinean tragedy; while Caillaux's neat, dapper little person was occasionally shaken by "convulsive sobs."

In her own defence, Madame Caillaux pleaded that, despite her careful preparations, she had never meant to kill the editor; that her sole purpose had been to create an explosive rumpus and draw attention to her husband's sufferings; and, at length a sympathetic jury set her free. Besides being well-written and well-documented, *Death of an Editor* is a finely illustrated book. Forain's sketch of the acquitted assassin embracing her triumphant advocate, as her huge hat tumbles off her head, is a minor masterpiece of draughtsmanship.

## Poland in ferment

BY ANTHONY ROBINSON

**The Polish August: What Has Happened in Poland**
by Neal Ascherson. Allen Lane. £12.50 (Penguin paperback £2.50). 316 pages

In the preface to his new book *The Polish August* Neal Ascherson, currently the Observer correspondent in Warsaw, explains that his motive for writing was to reduce the pain of left wingers in the West who apparently find the free trade union Solidarity "infinitely depressing." It seems an odd motivation. But in seeking to explain why and how Poland has witnessed "the emergence of a workers' revolution which walked behind the crucifix and refused to control the means of production," Mr Ascherson has produced a book which also explains the historical roots of Poland's unique "self-limiting revolution" to those who find the Polish events perplexing rather than depressing. His lucid and sympathetic analysis is in many ways a worthy successor to Nicholas Bethel's earlier biography of Gomulka which took the ironic shifts of post-war Polish history up to the end of the 1960's.

Mr Ascherson was bitten by the Polish bug over 20 years ago but his insights into and reflections on the nature of Poland's frailties, strengths and recurring dilemmas make this far more than a mere narrative. He warns at the outset that "ideological consistency in Poland is confined to leading articles in newspapers", and that "Poles are determined to survive." The results he adds "are often political systems whose structure mystifies the orderly mind of a foreigner . . . the encounter with Poland corrodes most political assumptions."

That said, what are Mr Ascherson's own assumptions about the events of 1980 and beyond? He believes that what he calls (in a phrase borrowed from the dissident Jacek Kuron) Poland's "self-limiting revolution" is real and that "whatever price Poland may eventually have to pay for it, its tangible and moral achievements are permanent."

But as the "revolution" moves into 1982 with the economy in shreds and factionalism breaking up the unity of the main protagonists will consolidation take place or will Poland slip once more into that disillusion and defeat which have followed other milestones in Polish history?

The precedents are not encouraging. Factionalism is an old Polish illness. But so, in a different way, Ascherson argues is the Polish habit of never really carrying things through to their logical conclusion. This self-limiting attitude has not only characterised Solidarity's reluctance to take over power: it has also influenced the Polish Communist party—even during the darkest days of Polish Stalinism after 1948.

Paradoxically Ascherson believes that "the combination of brutality and half-measures (during the Beirut period) ensured that future Communist regimes in Poland would be faced with monstrous problems." This view incidentally was echoed in a chilling Pravda editorial recently when a 73-year-old Soviet Stalinist philosopher argued that only those Communist regimes which ruthlessly crushed all opposition at the outset, like the Soviet party, were free of Polish style heresy and backsliding.

Polish Stalinism alienated the working class, but it failed to destroy either the independent peasantry or the Catholic Church. Thus, the roots of 1980 go back to the brutal but incomplete Stalinism of the post-1948 period, and the subsequent failure of Gomulka totally to reform and de-Stalinise the party after his triumphant return in 1956 on a wave of nationalist fervour. Failing this Poland was doomed to follow a path which led to the student riots of 1968, the bloody revolt in the Baltic ports in December 1970 and the overthrow of Gomulka. The subsequent failure of Gierek either to reform the party or put the economy on a sound footing or come to terms with Polish society merely continued down the same path.

The message, or at least one of the messages contained in this book is that without a coming to terms, without a "historic compromise" between the party, the Church, the workers, the peasants and the intelligentsia the conflicts will continue. Ascherson goes one step further to suggest that whatever happens in future the real gainers will be the intelligentsia who are destined to become the true leaders of the nation.

"If the Polish experiment is left to develop the Party will probably reduce its size and scope to that of a re-politicised force detached from government, administration and economic management which expresses its 'leading role' through guidance and persuasion. The door to power for the non-Party intelligentsia will then swing wide open."

Tell that to the Soviet marines? Maybe not if, as many Poles believe, the Soviet Union has so many problems of its own that it is prepared to accept a form of Finlandisation for Poland which will give it great leeway in domestic affairs provided Poland remains loyal to its socialist alliances and maintains free passage for Soviet access to East Germany. We shall see.

## Wines all around the world

BY EDMUND PENNING-ROWSELL

**André Simon's Wines of the World**
by Serena Sutcliffe. Macdonald, £17.50. 639 pages.

**The Book of Hungarian Wines**
by Zoltan Halasz. Clematis Press, £7.50. 212 pages.

**Hugh Johnson's Pocket Wine Book**
Mitchell Beazley. £3.95. 176 pages.

**Corkscrews for Collectors**
by Bernard M. Watney and Homber D. Babbidge. Sotheby/Park Benet, £12.95. 160 pages.

As there is no real connection between the late André Simon's *Wines of the World*—a package deal of several previously published Rainbird wine books—and the authors are entirely different, it is difficult to see why his shade is invoked in the title of Serena Sutcliffe's new edition. Otherwise, she and a further 13 contributors must be congratulated on a very comprehensive, detailed and, for its range, concise if physically ponderous, work of reference. To cover all the significant French vineyard areas in 128 pages is something of a tour de force on the editor's part. She also records the principal or worthwhile owners of the often highly parcellated growths, and is by no means afraid to express her preferences.

Then in just under 100 pages Philip Dallas provides a very clear exposition of the production, problems and progress of Italian viticulture; while Bill Gunn contributes a remarkable round-up of 21 lesser wine-growing countries, though these include such substantial producers as Hungary and Austria. (The latter might have had more attention.) Experts write on the fortified wines. From abroad Len Evans, emigrant from Wales, writes a characteristically ebullient account of Australian wines, and Nathan Chroman has written a very detailed and usefully critical account of North American wines; while Jack Ward of the English Vineyards Association describes English wine-growing today, and lists nearly 50 vineyards.

Throughout the level of accuracy appears high—odd, though, how difficult it seems to place the 1855 Bordeaux classification in exactly the right order—and the attractive photographs are well reproduced. A pity that Serena Sutcliffe describes the wines of Alsace as Alsatian, for André Simon was always emphatic that they were Alsace wine—"Alsatians are dogs," he insisted.

Hungary has a very ancient wine-making tradition, and this new work of Zoltan Halász is really as much about the past as the present, and includes an account of folklore customs and poems connected with wine. All wines are described in the context of their history, situation and grapes, but the most interesting is certainly Tokay, whose luscious Aszu first appeared in the 17th century.

A delayed vintage resulted in the development of its "noble rot," long before it was heard of in Germany or in Sauternes. Apparently it was shipped to England at the end of that century and early in the following one; though later the Empress Maria-Theresa imposed duties on the export of Hungarian wines in order to assist the Austrian. Yet as followers of *Der Rosenkavalier* know, in the Vienna of her day an old tokay went very well with a young maiden.

Since the last war Hungarian wine-making has been considerably developed, although the great majority of vineyards are still privately owned. The Hungarians are great trenchermen, and they like full-bodied, mouth-filling wines. This agreeably produced and imaginatively illustrated volume is a good guide to them.

Hugh Johnson's pocket wine encyclopaedia is the best instant aid in dealing with restaurant lists and not-so-expert sommeliers. All that needs saying about the new revised, and somewhat enlarged, edition is that wine estates and merchants do change, and to have up-to-date information is valuable. Moreover, the author has added a list of estate wines, from France to Australia, that he has personally enjoyed in the last year. I can only disagree with his assertion that English cheeses are strong and demand strong wine like port, Hermitage or Barolo. In my view, Stilton apart, they are the ideal companions to claret and burgundy.

It is appropriate that Sotheby's should publish this first significant work in English on corkscrews, for, although previously collected on a small scale, their popularity has very much stemmed from the last decade or so, when the London auctioneers appended them to their wine sales.

The authors suggest that the cork or bottlescrew may well have been invented in England, for cider, and in any case England has been the source of a vast number of patents: 350 between 1795 and 1905. And the first was taken out by a London parson, Samuel Henshall, although Matthew Boulton was exporting them to France from Birmingham 30 years earlier. But Continental and American cork screws are all described with equal clarity, and a vast number of items are illustrated.

## Wordsworth in love

BY MARTIN SEYMOUR-SMITH

**My Dearest Love**
Scolar Press for The Trustees of Dove Cottage (distributed by Blackwell Rare Books, Broad Street, Oxford) Edition limited to 300 copies: 35 copies bound in vellum, £450, the remainder bound in morocco £215, these prices only until January 1, 1982, 81 facsimile pages

This handsome volume, *My Dearest Love* consists of facsimile reproductions of newly discovered letters written by William and Mary Wordsworth, his wife, to each other in 1810. The facsimile edition has been introduced by Beth Darlington—she will annotate the printed edition from Chatto and Windus to come later; for this one she has provided only an introduction and transcriptions. The revenue from this edition will help the Trustees to maintain Dove Cottage, and is very clearly an excellent idea.

The letters, found by accident in 1977, are a revelation. These two were passionately in love with each other! No one has yet made that assumption, though there are hints that Coleridge knew (and was envious).

Certainly Wordsworth's poetry fell off after about 1807—it would be foolish to pretend that it did not—but we now discover that his private emotional life did not become stultified, after all. This is an exciting and important discovery.

## Flora

BY B. A. YOUNG

**Flora**
by Kenneth Barrow. Heinemann, £12.50. 242 pages

Rather exceptionally, Dame Flora Robson decided in 1970, when she was 68 years old, to retire from the stage. She has continued in other media, but the theatre never saw her after she played Agatha Payne in *The Old Ladies* at the Duchess, apart from an appearance as Queen Elizabeth at the 1970 Edinburgh Festival (according to Who's Who in the Theatre but no one else) and a repeat performance as Miss Prism at Windsor

She was a child performer of great ability. She studied at RADA and toured with Ben Greet. She played a season at Oxford. And then she took a job at the Shredded Wheat Factory at Welwyn, staying there five years, until she was rescued by Tyrone Guthrie, who engaged her for the Festival Theatre, Cambridge. "If I don't make a success, I am no good," she wrote to a friend. She did make a success, and went on doing so, notably in Bridie's *The Anatomist*. Then she relapsed again into this curious lack of confidence. "I know it will all be over soon," she said, "and everyone will forget about me."

Mr Barrow, a close friend, has written an affectionate book. He has scoured the Press for a good notice for almost anything: he has solicited loving tributes from the greatest people on the stage. And yet when, near the end of her career, in her grand Miss Prism at the Haymarket, Dame Flora sensed sympathy from the audience, she was surprised. "I know I have always been respected by my public," she said, "but I have never been loved." Well, she hasn't often played lovable parts. But Mr Barrow makes it clear that to him at any rate she is a lovable lady.

## Pies in the sky

BY MICHAEL DONNE

The aviator's bookshelf promises to be well-stocked this Christmas with a plethora of exceptionally well-produced volumes pouring off the presses. Once again, historical themes predominate, but there is also a leavening of reminiscences and other accounts of various aspects of the Second World War—always, it seems, a favourite with aeronautical enthusiasts—and in every case, the illustrations are of a very high quality, even where perhaps the texts are sometimes of lesser interest, albeit still highly competent.

As one who is particularly partial to the history of early aviation, I found Howard Johnson's **Wings Over Brooklands** (Whittet Books £8.95, 157 pages) utterly absorbing. This story of the birthplace of British aviation, with the many individual tales of those "Magnificent Men" who attempted to become airborne in their flimsy contraptions of wood, wire and canvas, covers the history of Brooklands in two parts—from 1907 to 1918, the real era of the "Magnificent Men," and the later, more commercial, but no less exciting, period from 1918 to the present day. This book is an absolute "must" for any and every aeronautical enthusiast.

My next favourite in the batch is Sir Basil Smallpeice's autobiography, covering his working life with BOAC and subsequently with Cunard Steamship, hence the title **Of Comets and Queens**. (Airlife Publishing £10.95 274 pages.) Sir Basil had the misfortune to lose his job at BOAC at the hands of the Aviation Minister of the day in the early 1960s, and he sets down those traumatic events without rancour, although he was clearly the victim of high-power politics at their most unsavoury. His subsequent career at Cunard saw the brave attempt to keep the company from bankruptcy, and the final days of the great passenger ships regularly crossing the Atlantic, before air travel took over the market. Sir Basil writes calmly and clearly about great events in both the aviation and shipping world, and his refusal to indulge in recriminations does both himself and his book great credit.

The post-war history of British aviation has been marked with a number of great events, not least among them being the creation—almost the shot-gun marriage—of the British Aircraft Corporation as one of the country's biggest aeronautical manufacturers from the merger of several smaller, but very famous names, such as Bristol and English Electric, among others. The subsequent history of BAC was chequered, with technical successes such as the Concorde offset by some tragedies, such as the cancellation of the TSR-2 combat aircraft. Throughout it all, Charles Gardner was the public relations manager for BAC, and in his retirement he has set it all down, carefully, coherently and at considerable length in **The British Aircraft Corporation, A History** (Batsford £12.50 320 pages). It is the definitive history of BAC up to the time of the creation of British Aerospace in more recent years, and will prove invaluable to future aeronautical researchers.

With the Second World War now rapidly fading into the distant memories of those still alive who fought through it, there is a growing need for authoritative historical works that, shorn of the euphoria and emotion that books written closer to the period possess, can calmly appraise what was achieved. Chaz Bowyer is an aviation historian of considerable repute, with over a score of already published works to his credit, and he has made excellent use of his minute knowledge of the aviation scene in **Air War Over Europe, 1939-1945** (William Kimber £11.50, 235 pages). It is a significant addition to the history of air power, whilst also being an immensely readable story in its own right.

On an even more detailed historical note, Reginald Longstaff's **The Fleet Air Arm—A Pictorial History** (Robert Hale £9.95, 256 pages) traces the background and evolution of one of the more colourful areas of aviation. While much has been written about the RAF itself, and its predecessor, the Royal Flying Corps, there has been comparatively little written about the Fleet Air Arm, and Mr Longstaff's exceptionally detailed research has resulted (both in words and pictures) in a splendid contribution to that much ignored branch of aviation. Although the illustrations are all in black and white, they are copious in number, and very well captioned. Altogether, a most successful study of the Fleet Air Arm, and again an invaluable tool for future researchers.

## HOW TO SPEND IT

by Lucia van der Post

# Just what I've always wanted!

WE ALL nurture within us the certainty that though our nearest and dearest may view with foreboding the prospect of having to find, *again*, something charming and desirable with which to beguile us on Christmas morning, we are, we each believe, the easiest person in the world to please. Part of the reason we all make such a mountain of the whole present-buying business, I'm quite convinced, is because we feel we're under some undue obligation to be original.

When I consider the men in my family (the male of the species suffering particularly from accusations of being "difficult to buy for") I realise that originality (unless of the inspired variety that hits one about once a decade) is not what they are looking for. Christmas is a time for certainties. Just as the small boy likes to be sure that the longed-for train set will be nestling at the end of the bed, so the photographer likes to know he will get the new lens he's been dropping hints about all year, the music buff really does want another record, the bon viveur can't wait to try the Chateau Lafite. Should Christmas morning fail to bring the expected quota of new books/ties/sweaters/records, why they might, dreaded thought, have to go and buy them for themselves.

What turns the potentially mundane article into a present to treasure is the care with which it is chosen. One chain-store sweater is just another number to keep you warm but make it one of Marks and Spencer's pure cashmere (£39.50 each, in London's West End stores only and selling fast) and it turns into a luxury garment. Or better still make it an S. Fisher or N. Peal hand-framed [illegible] and you will hit this year's fashion equivalent of the bull's-eye.

Socks may seem like a very boring package to find beneath the Christmas tree, but try giving them in pure cashmere (£9.50 from S. Fisher) or heart-embroidered wool and cashmere (£15 a pair from Browns Mens Shop) or have you seen Ralph Lauren's versions in the softest pastel colours (an ice-cream fetishist's dream) — not cheap at £9 a pair (in rabbit hair and wool). If you love the colours then look, too, for Ralph Lauren's cord jeans in 10 mouth-watering colours at £30 a pair, or his cable-knit sweaters at £50 in Shetland wool.

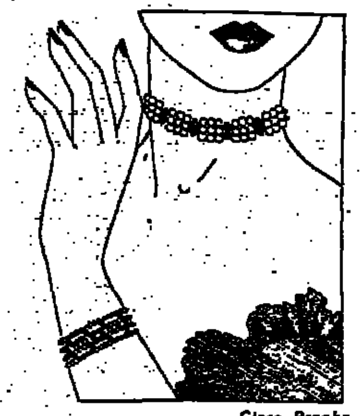
Shirts are another potentially boring piece of clothing, but this year's model — the wing-collar version — accompanied by a bow-tie (*that* will solve yet another perennial problem) seems to be walking out of all the shops that stock them, and they're just as popular with women as with men.

I probably hardly need to remind you of dressing-gowns. In this week's episode of *Brideshead Revisited* Jeremy Irons seems to have done for the dressing-gown what Popeye did for spinach. It was, I understand (I didn't see it myself*) the kind of sophisticated, classic design that could perk up anybody's Sunday morning. Jane Robinson, *Brideshead's* costume designer, found that one at Tirelli's in Rome, but there is nothing to stop those who have the time from scouring antique stalls — easier but more expensive is to drop into Harrods where you'll find a range of Noel Cowardish silk ones at prices ranging from £97.50 to £117.50, or Turnbull and Asser which sells watered silk ones at £250. Cheaper are the glazed cotton ones that Simpson of Piccadilly does at £35 (with matching pyjamas at £27). Even cheaper and very chic is the wrap-around rainbow-striped towelling bathrobe from Habitat (£23.95).

The same principle—of quality over quantity—could be applied to almost everything. Soap, ready-packaged with bath salts, or a matching tie and scarf set, speak of desperation, but an elegant box of soap from Floris, or Trumper, or a tie with a designer name are presents that speak of affection.

A drip-dry pillowcase or an easy-care tablecloth are the kind of things we can easily buy ourselves but try an antique hand-embroidered pillowcase or a lace-fringed linen tablecloth from an antique stall and you turn an everyday article into a present of distinction. It isn't how much or how little you spend—it is rather that whatever you buy (whether it be a single bar of soap, a small packet of truffles or a lone silk handkerchief) should be the very best of its kind.

*If Father Christmas is reading this, please put me down for a video cassette recorder.



Clare Brooks

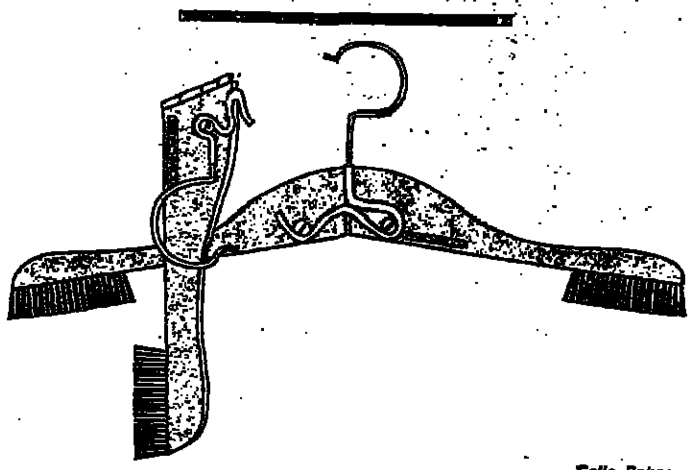
Serena Kent is one of the few people in the world who threads pearls and precious stones together in the method known as "pearl lace." It was a favourite technique with Faberge but nowadays there is very little of it. It is chiefly sought-after because of the delicacy of the end-result (see the necklace and bracelet above). Serena Kent uses mainly 3 millimetre pearls and small amethysts, jade, lapis lazuli, turquoise and coral and her collection starts at £180. The necklace in the picture is £400, the bracelet, £350. Wartski of 14 Grafton Street, London W1, has a few pieces, but Peter Jenner, 43 The Pantiles, Tunbridge Wells, Kent, has a large selection.

LEFT

Legend has it that come Christmas-time bashful husbands rush into lingerie departments wanting something, usually in black, to please their wives (or is it themselves?). Usually desperation means they spend far too much money far too fast—Warners has come to the rescue with a soft and slinky cami-knickers set. In black (if that's the preference) but also available in white, blue, cream or gold, it costs £10.95 from most good lingerie departments. (Watch out for sizes, 34-36 in cup size A, and 32-38 in cup size B/C).



Everybody needs a backbrush. Nicer by far than the plastic versions is the bristle-headed brush with a natural beech handle, above, from Habitat. It is too late now to buy it by mail order but all the shops sell it. £1.95.



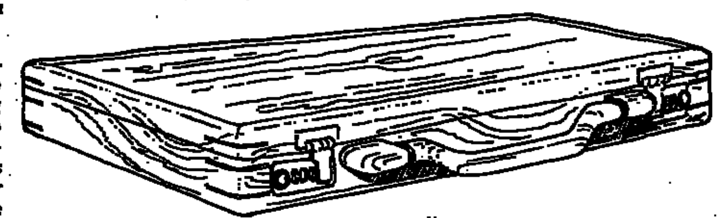
Celia Baker

For the traveller—a folding hanger-cum-clothes brush. Hotels seem to have given up providing hangers (or, if they do, only the immovable sort) so the frequent traveller could well be pleased to give suitcase room to the folding double-purpose item, above. 18 in when open, 9 in when closed. £1.95 from larger branches of Boots.

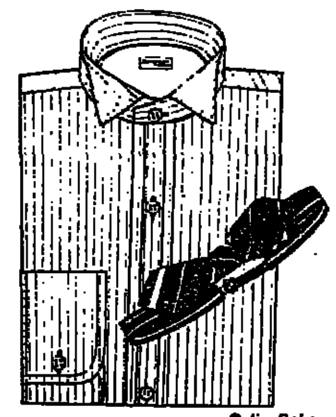
Celia Baker

ABOVE

The larger branches of Debenhams have a new department this Christmas called "Going for a Song." As the name suggests it is meant to have all the atmosphere of a curio shop and it specialises in selling replicas of authentic Victorian designs. Of particular appeal, perhaps, is the collection of period dolls ranging from pierrots to traditional national costume dolls. From left to right, the large pierrot is £36.99, the smaller one in front is £14.50. The larger Victorian doll at the back is £11.99, the smaller one on the right £10.99.



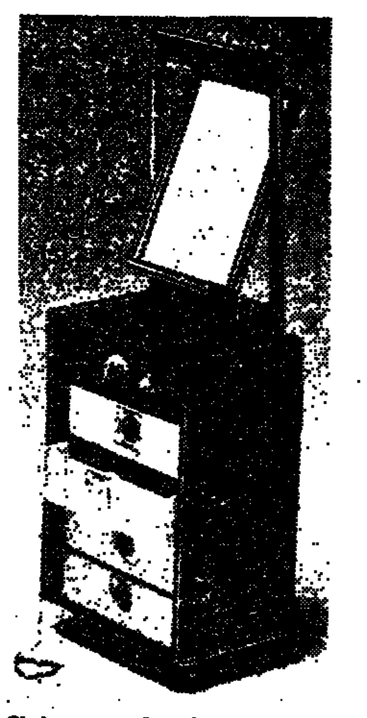
A marvellous change from the standard leather (or plastic!) briefcase is the range of natural wood briefcases, above sold by Sloan Marketing, 71 Ifield Road, London SW10 (Tel. 01-351 1676). All are fully lined and fitted with Presto combination locks. The woods are Thai rosewood, asan (a reddish-yellow straight-grained wood), sassafras (rather like oak), and hinoki (fine-grained and honey-coloured). All measure 45 cm by 31 cm by 8 cm, are £67.50 (p — p £2.10) direct from Sloan Marketing.



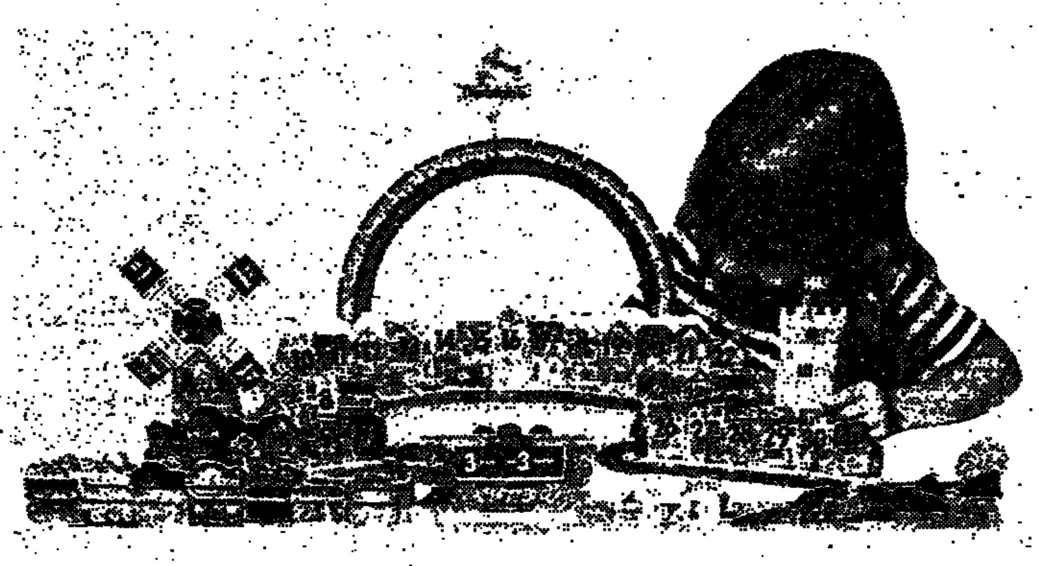
Celia Baker

The shirt of the year—looks just as good on a woman. This version from Simpson of Piccadilly, London W1, comes in sizes 14½ to 17½, 100 per cent cotton, is white striped with French navy or burgundy. £23.50 (p + p free). There are plain versions for £21 (blue, pink or lemon). The printed silk bow tie is £11.50.

Gray's Antique Market at 58 Davies Street, London W1, and in the mews round the corner, is one of the more agreeable places to browse for the old, the unusual, the funky or the rare. Look out for old china, lace shawls, evening bags, jewellery, old toys (alas, they have been "discovered" and are not cheap) and even old clothes. Photographed above is a selection of miniature silver Christmas presents from stalls in the market—ideal for those who have to post to far-flung places. Prices vary between £15 and £100.

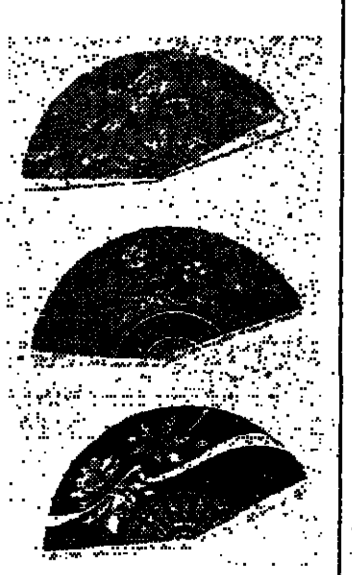


Chain-stores often have some surprisingly useful and reasonably-priced items. One of the best-sellers at British Home Stores is this 4-drawer "Chinese lacquer-look" jewellery chest. The front even conceals a swivel mirror—in black and cream it is 6½ in high and 4½ in wide by 3 in deep. £1.99.



Aimed at 3 to 8 year olds this spectacularly attractive calendar is designed to help children learn the names of the days of the week, all about numbers and counting, how to connect days and numbers to make a date, the names of the months of the year and so on. Not only is is exceedingly pleasing to look at but as a calendar it will last until 1990 and as a toy it should give many hours of pleasure before that. Too complicated to explain in detail, suffice it to say that by playing with shops and vans, rainbows and aeroplanes, the children learn a great deal on the way. £8.95 from Paperchase shops in London or direct by post from Clevertown Products, 17 Grove Park Terrace, London W4.

Is there a jogger in the family? The Casio Pace Runner, above, is no thing of beauty but having observed the obsession with pace and speed that seems to overtake even the most amateurish of joggers I feel it will be the present of the year for the new aficionado. The watch helps the jogger monitor his/her pace and computes the length and number of his strides to give the time taken, distance covered and the speed. It also has a stopwatch, daily alarm, an 8-digit calculator, a micro-light for night-viewing and, you'll be pleased to hear, it tells the time. £19.95 from larger branches of Boots.



There is nothing so beguiling, in my view, as the one-off unique present, the sort that lies somewhere between art/craft and which, if carefully chosen, gives the kind of pleasure no manner of production-line number can ever give. Colleen Bery paints screens—very beautifully and very individually—and her designs are among the few modern versions I have seen which rival the Victorian ones. Six foot high, the screens start at £199 (the most beautiful, Fandango on a Japanese theme is £240) but the fan-shaped wall plaques in stained birch, above, are £12 each. Contact her at 8 Rosehill Road, London SW18 (01-874 5542).

Readers who want to see a copy of Liz Heavenstone's 1940s and 1950s powder compact and cigarette cases (illustrated on this page last week) should send 14p in stamps to Liz Heavenstone, PO Box 130, London NW1 8XF (or telephone 01-586 7861).

# ARTS

# Home and away

BY B. A. YOUNG

Radio falls into two categories, the programmes that bring the world into your sitting-room and the programmes that take you out of your sitting-room into the world. Last weekend, for example, I entertained Rebecca West, Henry Moore and Nadine Gordimer. Indeed, I entertained Chekhov as well, though only by the twofold proxy of David Suchet reading Gorky's reminiscences of him in a pleasing 20-minute piece on Radio 3 called *For the Conveyance of Oysters*.

Of the living, Henry Moore was the easiest to get on with. Confronted with Edward Lucie-Smith, the Brian Johnston of the visual arts, he gave us simple things to think about, like "*Drawing is the evocation* of a three-dimensional object on a flat surface." Mr Lucie-Smith looked as though he'd have liked to hear him say something more intellectual, but that wasn't Mr Moore's way. "It's just commonsense," he would say, even after telling us that his landscapes were as much derived from the influence of the human figure as his sculptures. A very welcome guest, he was.

So was Dame Rebecca, who came into Radio 4's *Bookshelf* at half-past seven the same evening. Ever since I was old enough to distinguish her from Rose Macaulay, she has been my favourite woman writer, but I wouldn't care to get into a literary discussion with her. She wrote off all my favourite men writers — Waugh, Greene, Powell — in cogent phrases of three or four words apiece. She remembered only the foghorn side of Yeats and found Shaw boring. Simone de Beauvoir was "the worst woman writer of our time." She dismissed Margaret Drabble with "anyone who thinks it matters a damn whether you give a cheque to an African charity or not." (Lucky she wasn't on the same frequency as Nadine Gordimer at the time.) She couldn't be bothered to say anything about her association with H. G. Wells.

Does this sound dreadfully forbidding? Not so. She was even better company than Henry Moore. *It was a shame*, I thought, that Bernard Levin, who interjected some superlative-filled comments on her work, wasn't actually sitting with her in the studio. After her crisp judgments on Evelyn Waugh and Anthony Powell, her judgment on Mr Levin, whichever way it went, couldn't have failed to be interesting.

Nadine Gordimer was a different matter. Whether you like it or not, you are drawn into politics with her. She was herself drawn into politics as helplessly. At the start of her career, she said, "I did not know that I was a white writer in a colour-bar society. I just wrote." She did not write romances or whodunits. "In Europe you can live a private life aloof from public affairs. In South Africa, private preoccupations are less and less written about. You can't just stand aside."

"Drawn into politics" doesn't mean in that context taking part in political movements. It means writing work that is, as she said, "inevitably a critique of society." *There is little overt* political content in Nadine Gordimer's stories; there is a picture of a society as it is, as she has known it and as she has depicted it. I don't know whether she thinks it matters a damn whether you give a cheque to an African charity. She has given most of her life's work to it.

Nothing so exciting among the "away" fixtures since last week's *The Tempest* with Paul Scofield, a production I enjoyed throughout except the whispering voice of Ariel. But of course I missed half of it, for it was transmitted in "quadrophonic" sound, which properly-educated people would call "tetraphonic"; and this is a luxury I have no access to. I wonder if it would have made any significant addition to my pleasure?

In radio drama, private preoccupations are endlessly written about. Thursday's Afternoon Theatre, *Cardboard Christmas Cut-Outs* by Brian Thompson, deals with nothing else. Its hero, a polytechnic graduate in Comparative Religion, works in the toy department of a multiple store, where he is bullied by the manager, patronised by the chairman, badgered by an amorous secretary. The clapped-out old actor he engages as Santa Claus keeps the children happy singing carols instead of buying toys. A "critique of society" there? The director of this pleasant *squib (which I chose as my* first exposure to Christmas) was Alfred Bradley. He gave us a very different offering on Sunday on Radio 3, David Pownall's *The Mist People*, about three down-and-outs, beautifully written, and beautifully acted by Gerard Mannix Flynn, Ronald Baddiley and Freddie Jones. Good marks for this.

# Il Trovatore

BY MAX LOPPERT

Joan Sutherland introduced her *Trovatore* Leonara to the Royal Opera House on Thursday. The role has been added to the soprano's repertory late in her career, picking up the Verdi-*lirico spinto* thread of the 50s (Sutherland admirers of long standing still speak warmly of her Gilda and Desdemona from that period) that was then snapped by her concentration on *bel canto* rediscovery.

For the first half of the performance, it seemed that the accession was even perhaps *too* late: in "Tacea la notte" the tone was in a cloud, weak in low phrases, cautious in high, agile but undistinctive—frankly this was unremarkable singing. Then, with the fourth act *romanza*, an alteration of opinion began to be forced on the listener: there was grandeur, if never a distinct personality, in the presence, and the lines started sailing across the house, with a spin in their tail that denoted the authentic with dignity, but has not been Sutherland. She carried herself well advised in either wig or make up.

This latest revival of the Visconti production is announced as in the care of Christopher Renshaw; it is an evening of All-Star Opera, with seat prices, refurbished costumes, between-scene curtain calls, and inserted high notes to match. By to-day's standards, the level of casting is grandiose, though Caruso's dictum that what the opera needs above all is the greatest singers in the world was probably never very wise advice for managements to attempt to heed. Thursday's performance had bursts of good singing (and one or two *bouts of the other kind also*); what it lacked was any conviction that *Trovatore* is not just a medley of thrilling moments (which it is) but a drama of "consecutive" impact and ineluctable force.

"Impact" and "force" are in any consideration of Richard Bonynge's conducting, which proved sadly defective in command of rhythm, weak in sustainment of ensemble, ever willing to substitute mindless acceleration for climactic excitement. Commencements of airs moved vacuously, while singers decided on a comfortable tempo and the conductor caught up with their final thoughts on the subject. Quite often, set pieces were held together by the sheer brute force of their soloistic components — with Elena Obraztsova on stage as Azucena (her first Covent Garden appearance) there was bound to be a deal of hurl-it-at-'em energy on display, and hardly useful terms of reference Yury Mazurok, the Count, was in his most unremitting loud voice.

Both Russians gave big, semaphored, verbally insensitive accounts of themselves — in the case of the mezzo-soprano, to the point of dislikeable vulgarity. The hero was Franco Bonisolli, a very personable Italian tenor of not quite front-rank quality, generous with top notes. It was pleasant to note how well John Tomlinson's *Ferrando holds up in such company*. Encountered the night after the Royal Opera *Alceste*, a company endeavour on a proud high level, this was opera of a different kind — not unenjoyable, but not very admirable either.

Joan Sutherland and Franco Bonisolli

# High price for 'Summer'

The strength of the Old Master *market was illustrated at* Christie's yesterday in an auction which totalled £1,705,330. The only disappointment was an important picture by the Brothers Le Nain which was bought in at £550,000, although negotiations were continuing after the sale.

The top price was the £242,000 paid by the London dealer Essoldo for "Summer" by Pieter Brueghel the Younger. It is one of two Brueghel paintings on this subject. Colnaghi, another London dealer, paid £209,000 for a picture of Martha rebuking Mary by Guido Cagnacci and assistants, way above estimate. A painting attributed to Watteau of Ladies and Gentlemen embarking for the Isles of Cythera realised £132,000.

Other good prices were the £56,000 for "The bad trap," a frozen river scene by Pieter Brueghel the Younger, and £60,500 for a Canaletto view of Venice, sold on behalf of the now defunct Bath Club. A pair of paintings by Pellegrini, sold by Christie's in 1899 for 40 guineas, sold individually for £26,400 each yesterday. They were of classical scenes.—A.T.

# Christmas exhibitions

BY WILLIAM PACKER

Given that they have taken up so precarious, some might even say perverse a trade as the selling of pictures, and modern pictures at that in so many cases, our dealers are as sensible and practical a bunch as you could reasonably expect, and with quite as good an eye for the main chance as any of their more conventional brethren. This is Christmas after all, not for everyone the perfect moment for the serious one-man show; and what better, more seasonal and indeed opportune than to prompt the generosity of the customer by a judicious raid upon the stock-room.

For pictures do make splendid and lasting presents, and though the feeling might persist in certain quarters that they are also likely to come rather expensive, the truth is that they are only as expensive as you care to afford. It remains true in any case that artists in general are unable to charge anything like a true rate for their labours in the way that is commonplace in all the more institutional professions—which is another way of saying that in this country art of all kinds is likely to be cheap for what it is, and well chosen almost bound to be a bargain. From two figures to five, a great many London galleries, and I am sure galleries throughout the country, are full of good things to suit, as the phrase has it, every pocket.

At the Mercury Gallery in Cork Street, for example, is The Small Picture Show, for those, as its director, Mrs Raffles, puts it, "with no wallspace left," which remark itself makes a nice ironical point: there is always wallspace left, and anyone without the nous or visual curiosity to reshuffle and add to the pack from time to time deserves to have no pictures at all. From £40 the prices rise to £3,000, with Bonnard, Pascin and Laurencin drawings, a pre-war Pasmore landscape, something of a curiosity, a Colquhoun, a Vaughan and a Christopher Wood towards the higher end, but with some lovely things by such artists as John Houston, Joan Eardley, Elizabeth Blackadder and Mary Newcomb well down into three figures, and a lovely small oil painting, the edge of a field by Nicholas Tidnam, cheaper still.

Across the road at the Piccadilly Gallery is another melange of European and British art of the past hundred years or so, with Klee, Klimpt, van Dongen, Ensor, Laurencin again, Signac and suchlike among the foreign luminaries, Armfield, Gill, Ginner, John and Spencer among the British dead, Tindle, Nicholson and Moore among the living.

Christmas at the Maclean Gallery in St George's Street is given over almost entirely to British painting and covers this same period, from the two Charles Sims paintings of Washing Day, Sargent-like Edwardian genre, and the William Nicholson prints, through John, Spencer, Sutherland, John Nash, Bawden and Piper, to the present and such artists as Virginia Powell, Lindy Guiness, and David Scott all well represented, and to Lucien Freud whose triple study of a cat steals the show.

Angela Flowers has asked a score or so of artists each to design a badge, and their Badge Art in all its variety, with 25 of the designs made up and available, now fills her gallery in Tottenham Mews. In Bond Street Charles Spencer continues his association with Wylma Wayne by filling her gallery with several hundred of the theatre and fashion drawings, water-colours, prints and paintings in which he specialises: Lepape, Benito, Erte, Marty, Charles Martin and Mario Simon, Barbier, Iribe, the Ballets Russes and the Gazette du Bon Ton, Bakst, Benois, Beaton, Fraser, and on and on to the present, to Georgiadis, Kay and Sonnabend.

In Langley Court, off Long Acre, Anne Berthoud is showing new work by four of her artists, Mason, Newsome, Setch and Upton, and a very distinguished little group they make, with Victor Newsome's two new suites of lithographs the principal feature. And next door the new Paton Gallery has a lively and extremely modestly priced selection of work by younger artists and comparative newcomers, most of it figurative with Christopher Prewett's small portrait studies particularly noticeable, and some seductive abstraction from Philip Stevens. Round the corner, at Edward Totah in Floral Street, new drawings and paintings by Mikey Cuddihy and Paula Reago's peculiar expressionism are well worth a look.

And so they go on, shows I have seen and shows I have not: Nicholas Treadwell in Chiltern Street as ebullient as ever and getting all his artists to paint themselves.

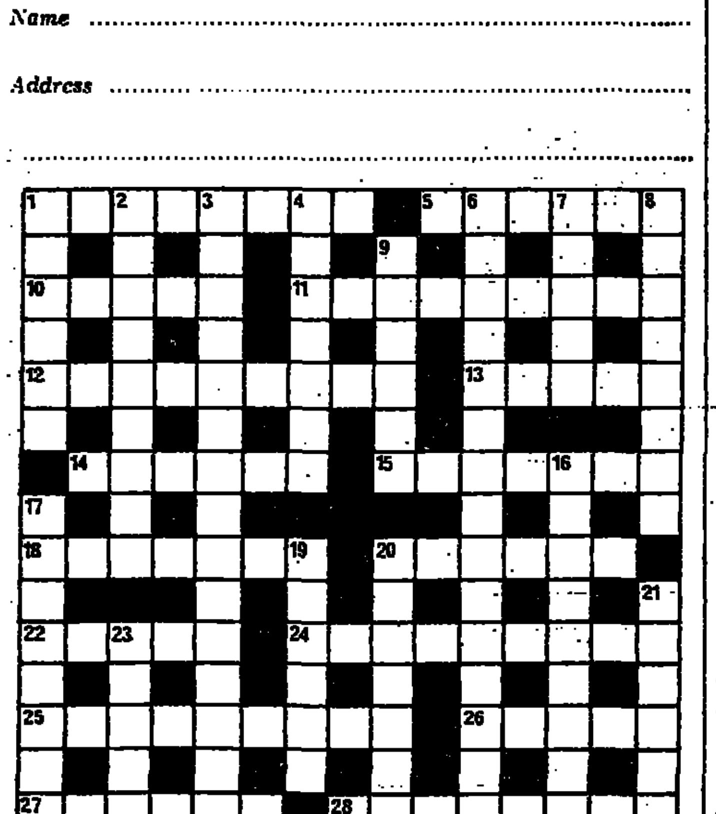
Head of a Boy, Andrew Samson, by Joan Eardley

## F.T. CROSSWORD PUZZLE No. 4,748

*A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ..............................

*Address* ..............................



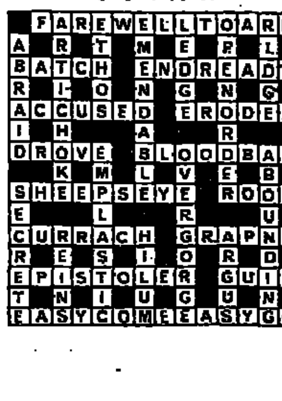
### ACROSS

1 Underground transport used to seize goods (8)
5 Lever's movement in battle? (6)
10 Orsino's amatory ailment (5)
11 Man in field turns gals queer (6-3)
12 Dramatic plotter? (9)
13 Riding-school spill (5)
14 Could, we hear, get led astray in such an embrace (6)
15 Where Helena lies in state (7)
18 Order, per HP, to party spokesman (7)
20 Vectis wild-cats? (6)
22 Order of the dictionary (5)
24 Dangerous swimmer down under has a steering fault (9)
25 Light air of some mercantile nations (9)
26 Mark left in the groove (5)
27 Pole in wages burlesque (6)
28 Kentish bowman and hunter (8)

### DOWN

1 Figured stuff for mother to request (6)
2 Allowing full time to each note to tunes so arranged (9)
3 Play opened by Gloucester in first spell? (7, 3, 5)
4 Spin round in anger and animate (7)
6 Latin-derived name for Chichester (15)
7 Ticks over one day less, almost (5)
8 Bird giving nasty shock after dark (8)
9 Copper's big bell in regular usage (6)
16 Second crop at the farm, perhaps (9)
17 Depose PC and order him to become the sort feared by drivers (5-3)
19 Old sixpence found in the assay office? (6)
20 Club-heads one has to match—that is the prevailing trend (7)
21 One looking to call on king and queen (6)
23 Main meal without starter? Not at "The Bull"! (5)

Solution to Puzzle No. 4,747




# TV/Radio

+ Indicates programme in black and white

## BBC 1

9.05 am The World of Rugby. 9.30 Swap Shop. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.20); Racing from Cheltenham (12.55, 1.25, 2.00); World Cup Ski-ing (1.15, 1.45, 3.05) from Piancavallo; Athletics (2.20) from Crystal Palace; Swimming (3.05) from Hendon; 3.45 Half-time football scores; Rugby League (3.55) from Headingly; 4.35 Final Score.
5.10 Kung Fu.
6.00 News.
6.10 Sport/Regional News.
6.15 Larry Grayson's Generation Game.
7.10 "Support Your Local Gunfighter," starring James Garner.
8.40 The Two Ronnies.
9.25 News and Sport.
9.40 Match of the Day.
10.40 Michael Parkinson and his guests.
11.40 Barbara Mandrell and the Mandrell Sisters.

BBC1 Variations: Cymru/Wales—8.50-9.30 am Crackerjack. 6.10-6.15 pm Sports News Wales. Scotland—4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 9.40-10.40 Sportscene from Scotland. 12.20 am News and Weather for Scotland. Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News. 12.20 am News and Weather for Northern Ireland. England—6.10-6.15 pm (South-West only) Saturday Spotlight.

## BBC 2

10.10-11.25 am Open University.
3.15 pm Saturday Cinema (1) "The Burning Hills" starring Tab Hunter and Natalie Wood.
4.45 Play Away.
5.10 Saturday Cinema (2) "The Command" starring Guy Madison.
6.40 The Lovely War.
7.10 News and Sport.
7.25 Did You See . . . ?
8.00 New York City Ballet in George Balanchine's "A Midsummer Night's Dream."
9.25 Playhouse Special: "School Play" by Frederic Raphael.
10.50 News On 2.
10.55-1.10 am Midnight Movie: "Wild Rovers" starring William Holden, Ryan O'Neal and Karl Malden.

## LONDON

8.35 am Sesame Street. 9.35 Thunderbirds. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball; 12.45 Boxing: Ali v Burbick; 1.00 World Cup Skiing; 1.15 News; 1.20 The ITV Six from Nottingham and Lingfield; 3.00 Motor Racing—Dubai Grand Prix; 3.45 Half-time Soccer News, Reports; 4.00 Wrestling; 4.50 Results.
5.05 Worzel Gummidge.
5.35 News.
5.40 Family Fortunes.
6.10 Game for a Laugh.
7.00 Punchlines.
7.35 "Sex and the Single Parent" starring Mike Farrell and Susan Saint James.
9.20 News.
9.35 Knife Edge.
10.35 Johnny Carson's Tonight Show.
11.15 "Fiend Without a Face" Face" starring Marshall Thompson.
12.45 am Close: Personal Choice with Lord Soper.

All IBA Regions as London except at the following times:

### ANGLIA

9.00 am Sesame Street. 10.00 Clapperboard. 10.35 pm Coronation Street Birthday Special. 11.05 Johnny Carson's Tonight Show. 11.45 Paris by Night. 12.15 am At the End of the Day.
9.10 am Clapperboard. 9.40 Chips.

### ATV

9.10 am Clapperboard. 9.40 Chips. 10.35 pm Coronation Street Birthday Special. 11.05 Vegas.

### BORDER

9.10 am Paint Along with Nancy. 9.35 Stingray. 10.00 Clapperboard. 10.35 pm Coronation Street. 11.05 Baretta.

### CHANNEL

10.35 pm Ladies Man. 11.05 TV Movie: "Dirty Little Billy."

### GRAMPIAN

9.10 am Joe 90. 9.35 Stingray. 10.00 Clapperboard. 10.35 pm Coronation Street Birthday Special. 11.05 Reflections. 11.10 Hammer House of Horror. 12.10 am England Their England.

### GRANADA

9.35 am Joe 90. 10.00 Clapperboard. 10.35 pm Coronation Street 21st Birthday Celebrations. 11.05 The Star and the Story. 11.30 "Casino Rayola."

### HTV

9.10 am Talking Bikes. 9.35 Fangface. 10.00 Clapperboard. 12.13 pm 11.00 The Palace Presents—Jack Jones introduces Chita Rivera, Foster Brookes, Marty Allen and Arlene Duncan.
HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Ras Sgwar.

### SCOTTISH

9.10 am Thunderbirds. 10.35 pm Coronation Street Birthday Special. 11.10 That's Hollywood. 11.35 Late Call. 11.40 The Streets of San Francisco.

### SOUTHERN

9.00 am Clapperboard. 9.30 Thunderbirds. 10.27 Regional Weather Forecast. 10.35 pm Coronation Street Birthday Special. 11.05 Southern News. 11.10 Roots. 11.40 The Sweeney.

### TYNE TEES

9.00 am Cartoon Time. 9.10 Sealab 2020. 9.40 Thunderbirds. 12.13pm North East News. 5.40 North East News. 10.35 Coronation Street—"1940's Show." 11.00 The Jim Davidson Show. 11.30 Vegas. 12.30 am Three's Company.

### ULSTER

10.00 am Clapperboard. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.38 Ulster News. 9.34 Ulster Weather. 10.35 George and Mildred. 11.05 Police Surgeon. 11.35 Bedtime.

### WESTWARD

9.25 am Look And See. 9.30 Stingray. 9.55 Gus Honeybun's Birthdays. 10.00 Clapperboard. 12.12 pm Westward News. 5.41 Westward News. 10.35 Ladies Man. 11.05 TV Movie: "Dirty Little Billy," starring Michael J. Pollard. 12.45 am Faith For Life. 12.50 West Country Weather and Shipping Forecast.
9.0 am Mumbly. 9.10 Little House on the Prairie. 10.00 Clapperboard. 10.35 pm Coronation Street Birthday Special. 11.05 Hill Street Blues. 12.05 am Marie Gordon-Price in Concert.

(S) Stereophonic broadcast
‡ Medium wave

### RADIO 1

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 12.00 My Top 12. 1.00 Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

### RADIO 2

5.03 am Tony Brandon with The Saturday Early Show (S). 7.30 David Jacobs presents Star Sounds (S). 8.02 Racing Bulletin. 9.30 Pete Murray's Open House (S). 11.02 Sports Desk. 11.03 The Kenny Everett Bulletin (S). 12.02 pm Cricket Desk. 1.00 The News Huddlines. 1.30 Sport On 2: Football: second half commentary on one of the day's top games and news of all the others; Cricket: third day of the Second Test between India and England (reports from Bangalore) plus report from Melbourne on Australia v Pakistan; Rugby Union: Glasgow v Australia; Racing from Cheltenham at 1.35 and 2.10; 5.00 Sports Report. 5.45 Classified Racing and Football results. 6.00 Country Style. 7.00 Oh Mother! starring Mollie Sugden, Patricia Brake. 7.30 Big Band Special (S). 8.00 Saturday Night is Gala Night, part 2 (S). 9.00 The Treorchy Male Choir (Part 2). 10.00 Nordring 80 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00 am You and the Night and the Music (S). (VHF only from 2.45-4.00) 2.45 Boxing: Commentary on the fight between Pat Cowdell and Salvador Sanchez. 4.00-5.00 You and the Night and the Music (S) (with VHF).

### RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.30 "Alceste"—opera in three acts by Gluck from the Royal Opera House, Covent Garden with Dame Janet Baker as Alceste. Act 1 (S). 8.25 Writers' Spouses. 8.40 "Alceste," Act 2 (S). 9.30 A Little Night Poetry. 9.50 "Alceste," Act 3 (S). 10.50 Apocryphal Stories by Karel Capek. 11.00 News. 11.05-11.15 Elgar (S).
Medium Wave as VHF except: 7.05-11.15 am Cricket: Second Test. India v England.

### RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-minute Theatre. 3.00 Medicine Now. 3.30 Profile. 3.50 Enquire Within (S). 4.00 Where Did It Go Wrong? 4.30 Does He Take Sugar? 5.00 Along the Silk Road. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Elizabeth Sodestrom (S), the Swedish soprano presents her choice of music. 11.00 Lighten Our Darkness (S). 11.15 The Burkiss Way (S). 11.45 Places I've Lived, People I've Known. 12.00 News.

### BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Westminster At Work. 9.02 On the Rates. 9.30 Openings. 10.02 All That Jazz. (Music by Bill Evans and Kenny Clarke). 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00 Folk '81. 7.00-5.00 am Join Radio 2.

### LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 9.00 Network. 9.00 LBC Special. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

### CAPITAL RADIO

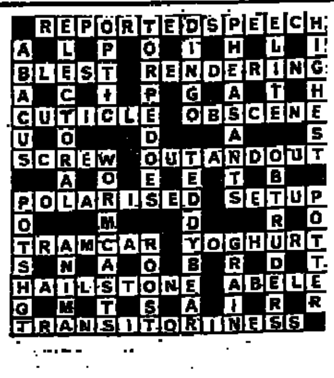
7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edward's Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-Cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

SOLUTION AND WINNERS OF PUZZLE No. 4,742

*Mr A. G. Pratley, Park Lodge, Horton, Northants.*

*Mr J. Wallington, 25 Larchwood Glade, Camberley, Surrey.*

*Mr P. J. Rowland, 28 Clifden Road, Brentford, Middlesex.*




### CHESS SOLUTIONS

Solution to Position No. 401
(c) is best: 1 PxN, PxB; 2 P-N5 and White fights on (2 . . . P-N4 3. N-Q6). If (b) 1 PxP? NB3 and . . . QxKBP wins a pawn. The game ended (a) 1. BxP?? Q-B7 ch; 2 K-R1, QxR ch!; and White resigned because of 3 RxQ, N-B7 ch and NxQ.

Solution to Problem No 401
1 N-B8, K-K4; 2 B-N5! If now 2 . . . K-Q3; 3 B-B4, or if K-B4; 3 R-B5, or if K-Q5; 3 B-B6.

# COLLECTING

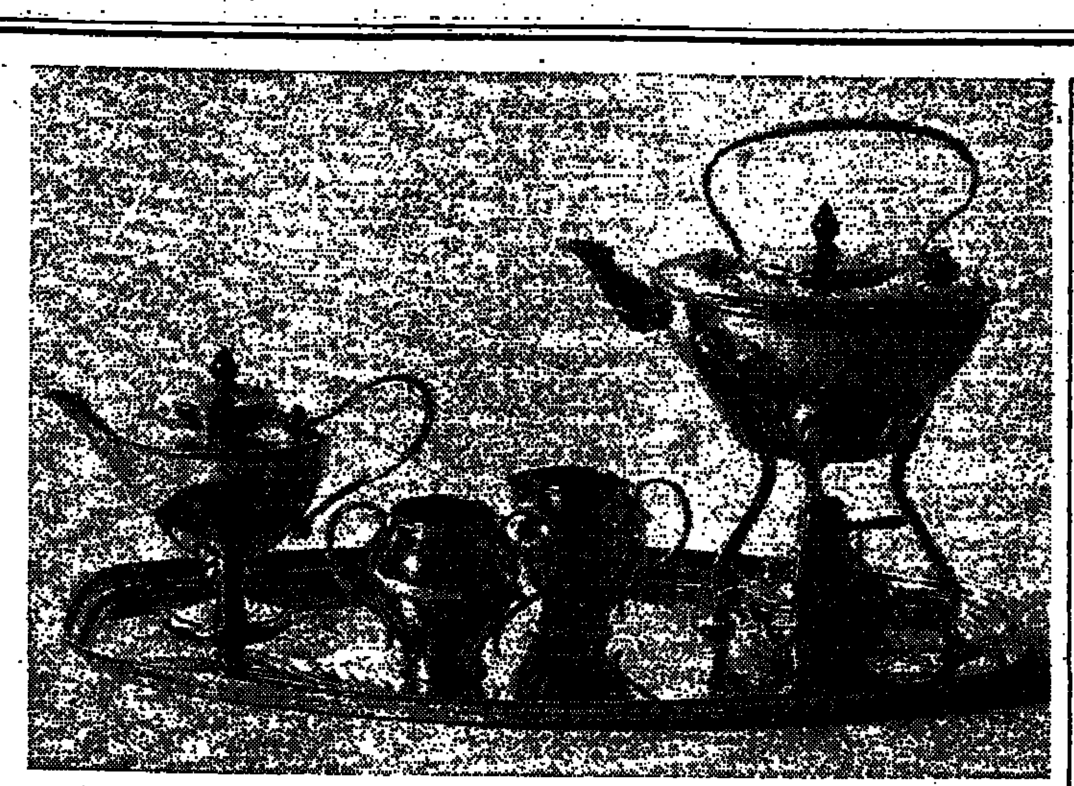
## An artist in metal

BY JUNE FIELD

*To enjoy good houses and good books in self respect and decent comfort, seems to me to be the pleasurable end towards which all societies of human beings ought now to struggle.*

OVER THE LAST decade collectors of the output of William Morris and his contemporaries have benefited considerably from the detailed and enthusiastic research carried out for the scholarly exhibitions put on by the Fine Art Society and the firm of Haslam and Whiteway.

The latest undertaking by Haslam and Whiteway in association with collector/dealer Paul Reeves is *W.A.S. Benson Metalwork* at their Kensington Church Street gallery until December 24, the first display devoted entirely to the architect, designer and metal worker who in 1896 after Morris' death became chairman of William Morris and Company, Decorators.



Brass and copper teaset in the "W. A. S. Benson Metalwork 1854-1924" exhibition at Haslam and Whiteway, 105 Kensington Church Street, W.8, until December 24

William Arthur Smith Benson (1854-1924), brother of actor manager Sir Frank Benson, was another of those 19th-century designer/craftsmen who originally trained as an architect, being articled to Basil Champneys. But in 1880 through encouragement from Edward Burne-Jones and William Morris he set up first his own workshop, specialising in metalwork, then seven years later a showroom at 82-83 New Bond Street, the year after he married Venetia, daughter of landscape painter Alfred William Hunt. A founder member of both the Art Workers Guild and the Arts and Crafts Exhibition Society, for the catalogue of the latter's exhibition in 1888 Benson wrote: "The more ordinary wares have all life and feeling taken out of them by mechanical finish, an abrasive process being employed to remove every sign of tool mark. The all-important surface is thus obliterated."

But as Lionel Lambourne pointed out recently in *Utopian Craftsmen* (Astragal Books), Benson's achievement was that he was able to make a happier liaison than most between the exigencies of commercial machine techniques and hand-craftsmanship: "His productions, whether tea services, vases, kettle and stands have a bold innovative quality which can be seen at its most original in his lamps, gas and electric light fittings, with their effective and remarkably advanced reflectors." The *Studio Yearbook* of 1906 praised his experiments with reflectors, and Hermann Muthesius in *Das Englische Haus*, 1910, referring to Benson as "the first to illuminate dining-room bulbs with light reflected from a shiny metal surface, while keeping the actual surface of illumination hidden."

As Michael Collins, British Museum Assistant Keeper of Medieval and Later Antiquities, sums up in his excellent introduction to the current exhibition catalogue: "He had by gentle persuasion and example shown Morris that machine production was not necessarily an anathema to the cause of the movement." The catalogue, incidentally, is the first modern publication on the work of W. A. S. Benson, and will serve as much for an indispensable reference work as a list of the items for sale, of which there are various at prices ranging from £70 to £700. You can take your pick from lamps (oil or electric), kettles (on stands or trays), tea or coffee pots, vacuum flasks and jugs, candlesticks, plant holders, all mainly in copper or brass or a combination of both, with an occasional piece silver plated, including an oil lamp with original pleated silk shade that always strikes one as a singularly dangerous combination.

The most recent exhibition of the paintings, prints, textiles, ceramics, fine books and furniture of Morris, Rossetti, Webb and Burne-Jones regrettably finished last week at the West Surrey College of Art and Design, Farnham, Surrey. It was extremely favourably received by Morris devotees, and a particularly worthwhile study is the well presented book with the exhibition catalogue bound into it, *William Morris and Kelmscott* published in association with the Design Council; it is made up of a series of essays by such Morris authorities as Asa Briggs, A. R. Dufty, Gillian Naylor and Ray Watkinson, and covers some of the work of the firm, as Morris, Marshall, Faulkner and Company, formed in 1861 was known, before Morris became the sole proprietor in 1875.

One of the most unusual dissertations is by Martin Shuttleworth, Senior Tutor Librarian of the West Surrey College of Art and Design. He writes in the form of a letter to "Dear William," which comments on how Kelmscott Manor was rented in 1871 "when you were 37 . . . when you were already a fashionable prophet. . . . Thus was set the scene for the tragedy of your private life, whose long first act was to run from your marriage in 1858 to that May morning in 1871 when you handed over Kelmscott Manor in Oxfordshire to your wife and her lover (Dante Gabriele Rossetti), and went off to Iceland.

After that Janey, whom Henry James described as "with savage, sad deep dark Swinburnian eyes with great thick black oblique brows," had at least one other lover, Wilfried Scawen Blunt, who wrote in his diary: "Mrs Morris slept alone at the end of a short passage at the head of the staircase to the right. The hall was uncarpeted with floorboards that creaked. . . To me such midnight perils have always been attractive."

Kelmscott, now administered by the Society of Antiquaries, provided many of the exhibits for the West Surrey display, some left in the house after the death of Morris' daughter May in 1938. They range from pieces of the "Strawberry Thief" block-printed cotton, first registered in 1883, which come from the dining room at the Manor, to a chest of drawers which was also used by Morris in his London home, Kelmscott House, Hammersmith and numerous fine books, plus the punches and matrices of the Kelmscott Press types, Golden, Troy and Chaucer.

● Catalogue *W. A. S. Benson Metalwork*, £2.95 plus 30p postage from Paul Reeves and Michael Whiteway, Haslam and Whiteway, 105 Kensington Church Street, London, W.8. Book and catalogue *William Morris and Kelmscott*, £7 plus 65p postage from Sue Jesse, The Design Council, 28 Haymarket, London, SW1, or the Exhibition Secretary, West Surrey College of Art and Design, The Hart, Falkner Road, Farnham, Surrey, who will also send, for £1.25p, one of the delightful posters that is an enlarged version of the cover of the bok.

## A blend of sacred and secular

STAMPS

JAMES MACKAY

FOR THE first time in 15 years the Post Office has employed children to design Christmas stamps. In 1966 two six-year-olds had that honour, Tasveer Shemza and James Berry, but now the record for the youngest stamp designer in the world goes to five-year-old Samantha Brown of South Glamorgan, whose Santa Claus is featured in the 11½p stamp.

In ascending order of age, Lucinda Blackmore of Clutton (aged six) designed the 18p showing an angel in flight, eight-year-old Sophie Sharp of Preston painted the Three Kings on the 25p stamp, 14-year-old Tracy Jenkins of Luton produced the mosaic portrait of Christ, used for the 14p design, and 16-year-old Stephen Moore was responsible for the scene showing Joseph and Mary at Bethlehem (22p).

Sarah Kutkaitis (aged eight) of Blackwood, Gwent, designed the First Day Cover, while paintings by six-year-old Andrew Dunbar are featured in the presentation pack, designed by John Gibbs. The accompanying Christmas air letter, however, was entirely adult-designed, Carol Walkins producing a lively montage of Dickensian characters.

One should not overlook the Christmas Gift Stamp Book, containing a single pane of 10 of each of the 11½p and 14p definitive stamps printed side by side. The book, which has an attractive rural winter skating scene on the cover by Bill Sanderson, makes an excellent present for pensioners, and is probably a better long-term philatelic investment than the Christmas stamps themselves, if only because such booklets tend to be overlooked at the time of issue.

The British stamps and stationery, launched on November 18, provide a fine blend of the sacred and the secular, and the over-all contribution of children, thanks to the Blue Peter design competition, is a timely reminder that Christmas is essentially a children's celebration. Other countries have used children's designs in previous years but the dominant theme this year seems to be folklore and local customs, with a noticeable drop in the number of stamps reproducing Old Master paintings of Adoration and Nativity scenes.

To be sure, there are still a few stamps in this time-worn theme. All three of Ireland's stamps, issued on November 19, depict a Nativity scene by the 16th century Italian painter, Federico Barocci, while the Falkland Islands trio, released on November 2, reproduce The Adoration of the Holy Child by an unknown 16th century Dutch artist (3p), The Holy Family in an Italian Landscape by a 17th century Genoese painter (13p) and The Holy Virgin by Guido Reni (26p). One of Luxembourg's charity stamps issued yesterday features a Nativity detail from the monumental painting in Luxembourg Cathedral, but the other four stamps in the set are devoted to coats of arms of the local authorities.

Lesotho has confined Botticelli's Mystic Nativity to a souvenir sheet and reproduced Christmas genre paintings by the American illustrator, Norman Rockwell, on the set of five stamps.

History has repeated itself in the U.S. In 1975 the Christmas stamps were issued without any face value expressed since an increase in the domestic rate from 10 to 13 cents was then imminent. In the end the undenominated stamps were used as 10c values. This year the rate was increased on November 1 from 18 to 20 cents, and since no decision had been taken at the time the stamps were in production the two stamps have again been issued without denomination.

The Christmas stamps were actually released two days earlier, hence the confusion. Worth 20c, they are confined to inland mail and will be conspicuous by their absence from overseas greetings cards. Botticelli's Madonna and Child (in the Art Institute of Chicago), shown on one stamp, contrasts sharply with the whimsical scene of a teddy bear on a sleigh, designed by Naiad Einsel.

Cyprus alone has remained steadfast in reproducing details from frescoes in churches in the Nicosia district, on the three stamps issued on November 16. One of the two stamps from the Isle of Man shows the Nativity scene from the stained glass window in St George's Church, Douglas, and commemorates the bicentenary of the dedication of the church.

New or unusual media used in the depiction of religious art are constantly sought by the world's postal administrations, in a bid to inject greater variety into their Christmas stamps. This year West Germany and West Berlin have used *verre églomisé* (under-glass painting) versions of the Nativity and the Three Kings by unknown folk artists in Buchers, Bohemia, in the early 19th century. Austria has selected a Christmas crib made of rye-straw by pupils of the Theresianum schools in Eisenstadt, Burgenland, for its 4 sch stamp, while Sweden's two 1.40 kr stamps show carved wooden birds, a traditional Christmas decoration in homes and churches. Iceland's set of three shows traditional Christmas leaf-bread patterns (200 and 250 kr) and the medieval crucifix carved from driftwood, now in the national Museum (200 kr). The latter also commemorates the 1,000th anniversary of the introduction of Christianity.

The decoration of Christmas trees is an old German custom which was brought to Canada in 1781 by Major General Friedrich von Riedesel who settled in Sorel, Quebec. The bicentenary is now being celebrated by three stamps showing Christmas trees of 1781, 1881 and 1981. The decoration of fir trees came to Finland from Germany about 1830 and this, too, provides the theme for the 0.70 and 1.10 mk stamps released on October 27. The giant tree in St Helier's Royal Square is depicted on Jersey's 7p stamp.

## A shot at the hunt

COUNTRY LIFE

JOHN CHERRINGTON

AS A FISHERMAN and an occasional shot I cannot claim to be in any way opposed to fox hunting on the ground of cruelty to the animal.

Foxes have to be destroyed, they are a harmful pest and predator on other wild life. Since hens have been largely confined indoors they are no longer at risk, but lambs and almost every other small animals and birds are.

Nor do I think that being torn up by hounds is any worse than being shot, trapped, gassed or poisoned. My objections run deeper and are a reaction to the sense of power which being on horseback gives to man or woman. Many of you will remember the scene in "Doctor Zhivago" when the Cossacks rode down the proletariat in some Russian square. I equate with the proletariat.

I realised this arrogance to the full on my first farm. The hunt met there one day, without my consent—they did not even ask for it—and proceeded to trample round the wet land making one hell of a mess. Every horse has four feet and these are driven into the soil by at least half a tonne of horse and rider. With a hundred or so followers a clay field can be turned into a rural Passendale very quickly.

When I tried to protest I was brushed aside and had to jump quickly to avoid being run down. As a final insult one lady flung me sixpence for holding the gate open. I had spent my formative years in New Zealand and South America where such behaviour would have been an immediate and justifiable invitation to homicide. Eventually greatly daring—for feudalism was far from dead in the 1930s—I negotiated a reduction in visits. When I left the district and became an owner occupier I simply refused the hunt entry.

This was not revenge for past experience at all. Hounds and riders can do a lot of damage, frightening stock and trampling down growing crops. I was advised that permission would compromise any claim I might make for damages against a hunt's depredations. Not that these are deliberate, I hasten to add. The days when wide cutters were freely used are now past.

Nothing of course will prevent hounds following a line across country and on one occasion the hunt cut one of my fences to follow them. My foreman said this happening and remonstrated in violent terms, so violent in fact that the master rang me up to complain that such language should not be used in front of ladies. "You are fortunate" I replied. "If I had been there I would have shot you."

However hunts in many areas are, I understand, being much less arbitrary with the farmers over whose land they gallop. In particular they are limiting the fields and the periods when they hunt in the interests of modern farming. This is because the followers these days are seldom exclusively local farmers and landowners. A Master who has shown good sport will be besieged by people from 50 to 100 or even more miles away, who with horseboxes or trailers can drive down in time for the meet and be off by nightfall.

These visitors used to be welcomed as a source of funds but now they are increasingly being denied the opportunity unless prior arrangements have been agreed with the farmers. It is essential, one master told me the other day, to keep in with them. It will probably be even more so in the future.

Hunt followers pay nothing for access to the land they ride over but they now have a considerable competitor. Increasingly large rents are being paid for shooting rights in which a landowner does nothing but provide the environment in which the game can be reared.

There is no reason why the provision for land for hunting should not be paid for in the same way.

## CHESS

LEONARD BARDEN

ENGLAND advanced a step further in the World Telex Cup last week by defeating Iceland 3½-2½ with two games for adjudication in a quarter-final match. The overall result is not in doubt since Michael Stean is a pawn up with a technical win in the unfinished board two game.

Matches in this eight-a-side knock-out have to be played by a recognised form of telecommunications and in practice this usually means telex. Up to nine hours are allowed for a playing session, twice as long as in normal over-the-board internationals to take account of time taken in move transmission. The London end of the match was staged at the City offices of Phillips and Drew and co-sponsored by merchant bankers Duncan Lawrie, backers of the England team in the last two chess olympics and European championships.

The decisive points were scored by Keene, whose elegant positional win appears below, and by the 21-year-old Merseysider Davies. England's one defeat occurred when Mestel made an oversight in a good position.

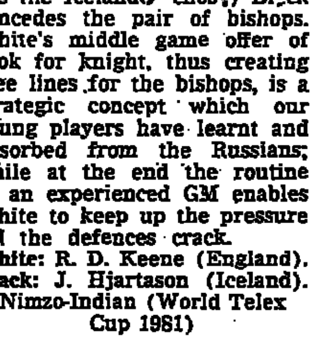
This week's opening is a Keene speciality which already brought the grandmaster a useful point in the Lloyds Bank Masters. His plan is simple: either the white KN regroups to a fine central square or else (as the Icelander chose) Black concedes the pair of bishops. White's middle game offer of rook for knight, thus creating free lines for the bishops, is a strategic concept which our young players have learnt and absorbed from the Russians; while at the end the routine of an experienced GM enables White to keep up the pressure till the defences crack.

White: R. D. Keene (England). Black: J. Hjartason (Iceland). Nimzo-Indian (World Telex Cup 1981)

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 P-K3, P-B4; 5 B-Q3, N-B3; 6 N-B3, BxN ch; 7 PxB, P-Q3; 8 P-K4, P-K4; 9 P-KR3, P-KR3; 10 O-O, (a finesse over 10 Q-K2 in his earlier game), B-Q2; 11 PxBP, PxP; 12 N-K1 (en route for Q5), N-QR4; 13 N-B2, B-R5 (stopping White's plan—at a price); 14 Q-K2, BxN; 15 BxB, Q-B2; 16 P-B4 (bishops need open lines), N-B3 (and knights must keep them closed); 17 B K3, N-Q2; 18 Q-N4 (probing for pawn weaknesses), P-KN3; 19 QR-Q1, O-O-O; 20 R-Q5! (already planning to sacrifice), P-KR4; 21 Q-N5, P-B3; 22 QxNP! N-K2; 23 Q-N3, NxR; 24 KPxN, N-N3; 25 PxP, PxP; 26 B-N5, QR-K1; 27 B-N6 (now White's bishops have Black's rooks in a cross-fire grip), QR-B1; 28 B-B6, KR-N1; 29 BxKP, RxR ch; 30 KxR, Q-Q2; 31 Q-Q3, NxBP; 32 QxN (but not 32 B-B5? N-K6 ch), RxB; 33 QxP ch, K-Q1; 34 Q-KB8 ch, Q-K1; 35 Q-KB5, Q-N1; 36 P-Q6, Q-B5 ch? (hastens the end, since White's King goes to a safer square. Better Q-K3 at once); 37 K-N1, Q-K3; 38 QxP, K-Q2; 39 Q-R7 ch, K-K1; 40 K-R1, P-R3; 41 Q-QB7! R-N4 (not QxB? 42 P-Q7 ch); 42 Q-N8 ch, K-B2; 43 QxP ch, Resigns. For if K-N1; 44 P-Q7—a strategic masterpiece.

POSITION No. 401

BLACK (13men)

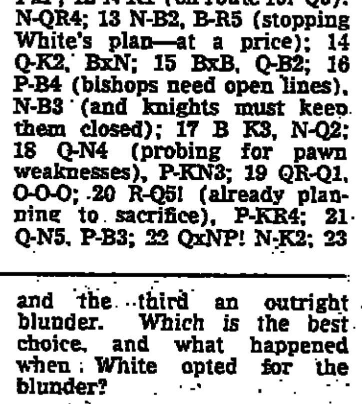


WHITE (12men)

A. Talbot v. N. Thomas, Bedworth 1981. Routine captures can swing a game if a player tries to assess them purely on general principles. Here White (to move) has to choose between (a) 1 BxP (b) 1 PxP and (c) 1 PxN. One of these is tolerable, one inferior, and the third an outright blunder. Which is the best choice, and what happened when White opted for the blunder?

PROBLEM No. 401

BLACK (1 man)



WHITE (6 men)

White mates in three moves, against any defence (by H. Stevens, 1966).

Solutions Page 10

England now play in the semi-finals against the winners of the three other pairings Scotland - USSR, Finland - Sweden, and East Germany-Poland. The chief controller is an East German so it will be no surprise if the next match is difficult.

The Scotland v USSR tie takes place today (10-7) at the Soviet-Scottish Friendship Society, 8, Belmont Crescent, Glasgow, and is co-sponsored by the Scottish Telecommunications Board. The Russians will play in Moscow. This is the most important international chess match ever staged in Glasgow, and as spectators are welcome it is worth a visit to support the Scottish team.

On top board Scotland's best player Craig Pritchett meets Polugaevsky, a world title candidate. It is unrealistic to hope for a Scottish victory, but anything better than 2-6 will represent honourable defeat.

## BRIDGE

E. P. C. COTTER

WE CONSTANTLY see a declarer making a difficult slam by good technique, but less frequently do we see a defender spot the one way of defeating it.

Study this deal from rubber bridge:

| | | |
|---|---|---|
| | N | |
| | ♠ A K 9 8 3 | |
| | ♡ K 5 | |
| | ◇ Q 3 | |
| | ♣ Q 9 7 4 | |
| W | | E |
| ♠ Q 10 7 6 | | ♠ J 5 2 |
| ♡ 6 3 | | ♡ Q J 8 4 |
| ◇ 5 4 | | ◇ 7 6 2 |
| ♣ A K J 8 2 | | ♣ 10 5 3 |
| | S | |
| | ♠ 4 | |
| | ♡ A 10 9 7 2 | |
| | ◇ A K J 10 9 8 | |
| | ♣ 6 | |

With both sides vulnerable, North dealt and bid one spade, South said two diamonds, and North rebid two no trumps. South now said three hearts, to which North stolidly replied three no trumps, but when South persisted with four hearts, the opener gave preference with five diamonds, and South's six diamonds concluded the auction.

West cashed the Ace of clubs, and switched to a trump, which was won in hand. The declarer cashed King and Ace of hearts, and ruffed a heart, West discarding a club on the third round. Making his way back to hand with a club ruff, South drew trumps in two rounds, and then proceeded to run off the rest of the diamonds.

With West guarding clubs, and East guarding hearts, the classic double squeeze position had been reached. When the last diamond was played at trick ten West, with three spades and the club King, was forced to throw a spade. Dummy threw the now useless club Queen, and it was East's turn to feel the pressure. Forced to keep the heart Queen, he, too, had to let go a spade, and the spade nine was South's twelfth trick.

West should have done some counting. South had shown five hearts and six diamonds, and had followed to a club. He had, therefore, one spade. If his hearts were set up, there was no defence, but if East had a good heart, the double squeeze threatened. Could it be prevented? Yes, by playing a spade at once, attacking the entry, and destroying the squeeze.

A defender missed another opportunity here:

| | | |
|---|---|---|
| | N | |
| | ♠ 10 8 | |
| | ♡ Q 2 | |
| | ◇ A K Q J 6 | |
| | ♣ 8 7 5 2 | |
| W | | E |
| ♠ Q J 7 6 | | ♠ 5 4 3 2 |
| ♡ K 10 4 | | ♡ J 7 6 3 |
| ◇ 9 8 7 | | ◇ 10 5 3 |
| ♣ K 6 3 | | ♣ 9 4 |
| | S | |
| | ♠ A K 9 | |
| | ♡ A 9 8 5 | |
| | ◇ 4 2 | |
| | ♣ A Q J 10 | |

North dealt and bid one diamond, South made a forcing take-out of three clubs, and North rebid three diamonds. South now said three hearts, North gave preference with four clubs, and South jumped to six no trumps.

West led the nine of diamonds, dummy won, and a club was led for a finesse of the Queen. West won—he would have done better to duck, and induce South to rely upon making four tricks in the suit—and now he decided on a deceptive return of the Knave of spades. Declarer discarded dummy's ten, just in case a finesse was needed, though he did not believe the Knave was a true card, cashed the rest of his clubs, and then the Ace of hearts—the Vienna coup—and led a diamond. On the fifth diamond West was forced to unguard his spade Queen, and the declarer, reading the position perfectly, played his Ace to drop the card, and make the slam.

West should have continued with a second diamond when he got in with the club. This attacks the timing, and the squeeze-card, the last diamond, cannot operate at the eleventh trick, because there is no entry to dummy.



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# Unprepared for winter

MR ARTHUR SCARGILL has little truck with currency dealers, but these very different observers of the scene seem to have reached the same conclusion: the Government is going soft.

Mr Scargill has pushed the miners into a more militant stance than the outgoing President, Mr Joe Gormley, thought sensible, and he seems to judge that the Government will yield a victory to inaugurate his reign. The markets seem to agree, with results which have already destroyed any hope of a pre-Christmas cut in interest rates, and replaced it with the fear of a rise. The Government has run into harsh winter conditions, and seems as unprepared as the management of British Rail.

Unpopularity in hard times, and restiveness among backbenchers looking ahead to the next election are trying for any government; but a government with firm convictions can usually overcome these problems. The Government continues to talk in terms of conviction, and the Cabinet is probably still broadly united about its long term aims.

The central difficulties, which have certainly been forecast by a whole army of technical critics, are much more about means. Like a driver who may have all the courage in the world in the face of difficult external conditions, the Government is readily baffled when the machine itself stalls, and falls into furious arguments about whether you should dry out the plugs, blank off the radiator, or call in the AA.

The trouble is that practical decisions can only be made by people who understand how the machine works; and that is at present a subject of acute disagreement. Nowhere is it more acute than over monetary policy—central to this Government.

The further rise in the broadly-defined money supply during November, when it was hoped that delayed revenue collection would suck money out of the system, has exposed the problem starkly. Banking analysts (and, privately, the Bank of England) argue that this is a structural change which is producing distorted figures. The banks are now effectively counter-attacking the building societies, and winning back some of the market share they have lost over the decades. Bank deposits are counted in the money supply, building society deposits are not. Adjusting for this, Lloyds Bank, for example, argues that monetary growth is on target.

Some brokers passionately disagree, and the Government's own chief adviser, Professor Terry Burns, still stresses the need to bring the money supply under control. However, even if this were agreed (and Ministers have become strangely silent on the subject), there is no agreement how to do it.

A monetary target is supposed to give a clear signal about whether interest rates are too high or too low; but over a "short run" which lasts, according to different experts, anything from a few weeks to a few years, raising interest rates seems to inflate monetary growth under British conditions. This has led to repeated efforts—whether by credit controls, the corset, or now by strange money market transactions—to operate on the money supply more directly, without driving up rates. A growing faction in the Cabinet is impatient with the whole argument, and would like to take the exchange rate as its touchstone.

Such technicalities may seem a long way from the world of practical decision, but they are not. If the role and method of monetary controls are at issue, then arguments about other key numbers become fudged and contentious. Does the money value of the Public Sector Borrowing Requirement matter, or only its underlying trend? Is privatisation helpful, or simply cosmetic?

Questions like these go to the heart of the Government's preoccupations; and once it is admitted that the answers are doubtful, decisions are no longer based on conviction. They are based rather on appearances, on political calculation, and explained, when they do not appear consistent, as showing "flexibility."

If the Government is to regain the initiative, it must spend the Christmas recess trying to reach some clear decisions on a number of central questions. This is necessary both to give some coherence to its own decisions and to create conditions for financial confidence. Markets can adjust to the policies even of governments they find unpalatable, provided they understand the policies and respect the firmness with which they will be carried out.

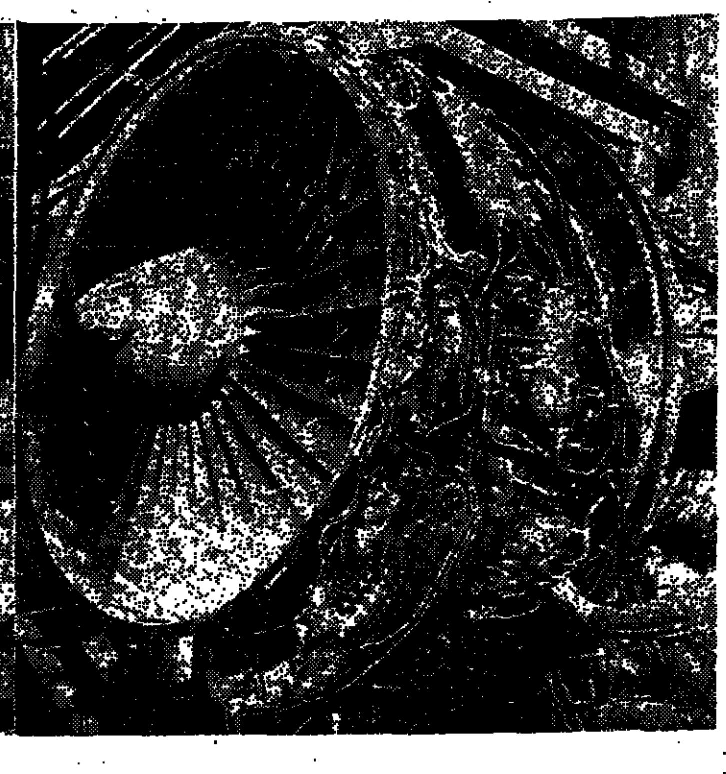
The agenda is difficult, but it is not unduly long. The Government's financial strategy needs a clear, achievable target to replace a distorted one which is constantly missed. The effective choice is between some new measure of credit or money, or some measure of the exchange rate. The battle over public sector pay, in this context, requires above all determination. Is the Government prepared to fight some possibly bloody battles to make cash limits stick, or might it better stop erecting Aunt Sallys for the militants by naming targets, and index public sector pay to the private sector, which is notably responding to market forces?

Finally, we would urge, the Government needs to give a new impetus to competition policy to discipline those sectors of the economy still sheltered from the better conditions which affect most of us. A week of arbitrary and inconsistent monopoly decisions is as eloquent as anything else of a government which is tired, and in danger of substituting drift for conviction. We must all wish it a refreshing holiday.

ROLLS-ROYCE AFTER TRISTAR

# Struggle to stay at the top

By Richard Lambert in London and Ian Hargreaves in New York



Lockheed's decision to phase out production of the TriStar (left), powered by Rolls-Royce RB211 engines (right) may be the start of a period of rationalisation in the airline and aerospace industry

A PRESS release on Monday from Burbank, California, put the final seal on a grim year for Rolls-Royce, the UK's heavyweight contender in the international aero engine business.

The Lockheed Corporation had at last decided to give up the unequal struggle and phase out production of its L-1011 TriStar, the civil airline project which had brought Rolls-Royce into receivership and the ownership of the UK Government during the early 1970's.

The TriStar had provided the platform for Rolls' family of RB211 civil aero engines. Roughly 700 of the 1,000 or so of these engines which have been delivered during the last decade have gone on this aircraft.

More recently, the main thrust of Rolls' sales efforts has been directed at Boeing aircraft. But new engines for the TriStar still account for about 8 per cent of the turnover at the group's big factories in Derby and Scotland, and in today's market conditions, any loss of potential sales is a serious business. If demand does not start to recover over the next 18 months, Rolls' future as a world class civil aero engine manufacturer will again be in question.

Twelve months ago, Rolls lost an intense battle for the engines to power 60 Boeing 757 jet airliners on order for Delta Air Lines of the U.S. Since then, its order books have been going downhill all the way.

It is not alone. The whole aerospace industry—which only a year or two ago was crowing about a replacement boom in civil airliners—has flown smack into the worst recession in the history of U.S. aviation. For the first time ever, airline traffic declined on a year-to-year basis in the U.S. during 1980, and so far this year traffic is down another 5 or 6 per cent.

This has added to the already intense level of competition among the airlines, and aggravated by the high cost of fuel plus the impact of the air traffic dispute, the airlines are now in a terrible financial mess. Collectively, they lost $432m in 1980, and there are

## Rolls more exposed to the recession than U.S. rivals

going to be some more big red numbers this year.

The problem is not confined to the U.S. carriers. To take an extreme example, British Airways could be upwards of £200m in the red this year after financing extensive lay-offs.

With the bankers getting edgy, demand for new aircraft has dropped like a stone. New orders for wide-bodied commercial transports placed with U.S. manufacturers in the first 10 months of this year were down by 60 per cent, having already dropped substantially in 1980.

McDonnell Douglas will be producing some 20 DC 10 aircraft next year, half the level in 1980, and there are no orders beyond 1982. Even the mighty Boeing has been laying off workers, with production of the 747 jumbo jet falling from a peak of seven to around two and a half aircraft a month.

The pain is being shared among the world's big three engine manufacturers—Pratt and Whitney and General Electric in the U.S., and Rolls-Royce in the UK.

Just under 200 RB211 engines will be produced in 1981—which may not sound much until you realise that today's selling price is around £2m, with spares bringing in the same again over a period of 15 years or so.

Next year's output will probably fall to around 160 engines, and about the best hope for 1983 is that the figure can be maintained at that level. A couple of years ago, Rolls was planning for an annual output of some 300 of these engines.

Pratt and Whitney's order book fell from 1,500 commercial engines in November 1980 to 1,100 this May, and has without doubt dropped substantially since then.

In addition, the recession has cut a swathe through demand for spares and replacement equipment. With more aircraft lying idle on the runway, all three engine manufacturers are likely to be running well below budget on these bread and butter sales.

In the U.S. Pratt and Whitney has been cutting its workforce recently, and there has been speculation that General Electric might actually pull out of the commercial engine business altogether. That seems improbable, although the strength of its commitment has been questioned by its failure to make the grade with engines for the Boeing 757, and by its apparently cool response to the idea of a new generation of 150-seat aircraft, which is bidding to be the industry's next major development.

Both the U.S. companies are thought to be losing heavily on their commercial engines at present. But in two respects, Rolls is more exposed to the recession than its U.S. rivals. Unlike Rolls, they both form part of much larger enterprises, each of which has enormous financial strengths. And they both derive very substantial support from the U.S. defence industry.

General Electric, for example, has been selected to supply engines for both the BI and the "Stealth" advanced technology bombers. It also builds engines for the Navy's F/A18 and the KC 10.

Rolls also has a very important military business, which together with related activities accounts for over half its turnover—compared with very roughly a quarter for the RB211 family. But the UK Ministry of Defence is much the biggest customer, and it is now putting a squeeze on new business. In particular, spending constraints are reigning in demand for the RB199 engine, which powers the Tornado—a project which is expected to require over 2,000 engines.

Last year, a build up in the RB211 and Tornado programmes helped to boost the workload in Rolls' UK factories by as much as 35 per cent. This year, by contrast, the level could fall by the best part of 10 per cent, and a further decline of 15 per cent or more is now in view for 1982.

In financial terms, the short-term impact of this downturn is not serious. Although the group's earlier forecasts of a profit in 1981 now look a shade over-confident, it should still end up somewhere around the break even mark. And in 1982 and 1983, the cash effect of a shortfall in profits below earlier hopes will be balanced at least partly by lower working capital requirements.

As a result, the group is still hoping to break even in terms of cash flow during 1983, following a cash outflow of perhaps £200m in 1981 and £100m next year which is financed directly or indirectly by the Government.

However, the problem is that Rolls has to sell a lot more RB211 engines before the project becomes financially viable. Put crudely, there comes a point in the development of every big engine when the revenue from spares and new sales exceeds production costs by a big enough margin to finance further additions to the family. With the RB211, that moment may not arrive until upwards of 2,000 engines have been sold—roughly twice the present level—and Rolls needs to reach that target as quickly as possible.

So the challenge for the short term will be to maintain the business through the recession in a shape that will allow it to compete aggressively for further sales once demand starts to recover. Thereafter, Rolls has to find a way of rebuilding its working capital without the need for large injections of taxpayers' money.

How realistic is al that? In technical terms, none of the big three appears to have a decisive edge. Rolls has improved the fuel efficiency of its RB-211-535C engine—which will enter service on the Boeing 757 in 1983—by something like 10 per cent. Although the latest version still seems to be marginally less fuel efficient than the rival Pratt product which scooped Delta's order, the difference could well be made up once the engine is in service.

The group has made big productivity gains in recent years, but is still some way short of the best U.S. performance. Its UK workforce has fallen from 58,000 to around 52,000 in 1981, and is likely to decline at a similar rate for the next year or two.

Rolls officials hope that demand will start to recover towards the end of next year, so that by the latter part of 1983 a leaner and more healthy organisation will be getting to grips with a steadily increasing workload. The sales prospects for the Boeing 757 are crucial to these plans.

At the same time, Rolls remains ambitious to take another big step forward by developing a new generation turbofan engine in the 20-30,000 lbs thrust class, the RJ500. The objective is to achieve a level of fuel consumption something like a third better than present day engines of similar power, which would bring a new class of 150-seat aircraft winging over the economic horizon.

Rolls has been working on the scheme along with a consortium of three Japanese companies, and has also talked to just about every other potential partner, including the two U.S. rivals. It claims to be more advanced than both of them in this development — a view supported by U.S. airframe manufacturers — and would like to get it into service by 1987.

However, there are still big uncertainties, relating both to the financing and the ultimate market for such an engine. Total launch costs are put at around $1½bn in today's money, which explains why Pratt and Whitney has said that it would be a masochistic act of self-destruction for all three engine makers to compete for the job.

The main opposition in the market place comes from those who argue that you can achieve almost the same passenger configuration and a better economic deal by re-engining Boeing's

## Ambitious to take another big step forward

ageing 727-200s, of which there are over 950 in service. Boeing is worried that such re-engining could cut demand for the 757 and 767, and Rolls is not too excited by the idea either.

Overhanging this debate is the question of how far the civil air transport industry has changed for ever. Airframe manufacturers cling to their forecasts of an average 6 per cent annual increase in worldwide passenger traffic in the period between 1980 and 1992.

General Electric thinks that 4 per cent is a better number, and some think even this figure may be too optimistic. If so, Lockheed's decision to phase out the TriStar may be the start of a more widespread period of rationalisation in the airline and aerospace industry.

# Letters to the Editor

## Tax reduction

*From Mr F Blackaby*

Sir,—I was interested, in the fastnesses of Stockholm, to read Samuel Brittan's exegesis (November 30) of the need to cut real wages in order to create more jobs—like a voice from an economic grave. The analogy between workers and bananas was particularly fascinating: if the price of bananas falls, we buy more; if the price of workers falls, we buy more.

There is actually a rather significant difference between workers and bananas. Bananas do not go into the market to buy other bananas. Workers, on the other hand, buy the products of other workers. In other words, the wages of workers have a dual role: they are not only costs, they are also demand.

So what happens when the rise in money earnings falls behind the rise in prices, and real wages are cut—as is happening now in Britain? Consumer demand in real terms will tend to follow real wages; and the effect of this will be to delay the recovery, and push unemployment up, not down. The countervailing effects are not likely to be very big. Firms are not likely to do much substitution of labour for capital—scrapping their fork-lift trucks and going back to men with wheelbarrows. The effect on the foreign demand for British products will depend on the exchange rate: with freely floating exchange-rates (of which Mr Brittan is a passionate advocate), there is no certainty of much recovery in foreign demand.

There are two senses in which it is sensible to say that real wages are too high, and it helps to think about them separately. In one sense, we are simply saying that profits are too low—as indeed they are. The best way, however, to raise the share of profits in the national income is to resuscitate demand; the worst way is to deflate. Alternatively, when we say that real wages are too high, we may be saying that labour costs, at current exchange rates, are too high. If that is so, the best thing to do is to bring the exchange-rate down.

Certainly we want a slower rise of money earnings. That will, after a time, lead to a lower rise in prices: but it could well increase unemployment rather than reduce it if nothing else is done. That is why tax reductions are needed now, to maintain real disposable income and real demand.

Frank Blackaby.
Stockholm International Peace Research Institute,
*Bergshamra, S-171 73 Solna, Sweden.*

Samuel Brittan writes: Mr Blackaby does not appear to have read beyond the first paragraph of the article about which he writes.

## Strategy

*From Mr T. Rybczynski*

Sir,—In his article "Still in need of a strategy" (December 3), Mr Samuel Brittan makes a plea for the "reaffirmation and reassertion of the medium term financial strategy" subject to any changes that may be injected into it, without mentioning what they might or should be.

Conceptually the whole basis underlying medium term financial strategy has been subject to an intense, intellectually exciting and important debate on both sides of the Atlantic for some time. While re-emphasising the importance of the fiscal element of the economic policy and of the public sector borrowing requirement the debate tends to indicate that for relatively small and open economies stability of exchange rate as a policy objective, subject to the impact of structural changes, is likely to be more beneficial — both as regards inflation and growth — than short-run stability in the rate of growth in money supply.

Is this not the most important conceptual change which should be examined and incorporated explicitly but with a clear underpinning into the medium term economic policy?

Such a change would be of inestimable benefit to those in industry and commerce who would have a much clearer view than at present of the prospective development and structure their investment accordingly.

T. M. Rybczynski.
*21, Moorfields, EC2.*

## Possibilities

*From Mr W. Grey*

Sir,—May I make three comments on the three Cambridge economists' new financial strategy (December 8)?

An exchange rate "falling within a narrow target range" is hardly consistent with a (progressively?) lower one intended to boost total money income. Such a policy would be at once inflationary and, if generalised, self-defeating. Rather, in the interest of financial discipline, the overriding aim should be to minimise exchange rate fluctuations in either direction.

While fiscal regulation may be more easily achieved through variation in indirect rather than direct taxes, the payroll tax which national insurance contributions already constitute in all but name does, in fact, provide a ready-made vehicle for influencing money incomes and expenditures in any number of both socially and economically desirable new ways.

As a further adjunct to possible measures to keep increases in money wages more nearly in line with productivity gains, stronger Government backing should be given to profit-sharing and similar schemes identifying workers' pay more closely with their companies' performance, and improving the whole climate of industrial relations into the bargain.

W. Grey.
*12 Arden Road, Finchley N3.*

## Investment

*From Mr R. Randall*

Sir,—Mr Brittan's article (December 3) was, as usual illuminating, but I do not understand his attack on public sector investment. Surely it is better to pay people to build something useful, rather than pay them to do nothing. The level of job creation will obviously depend on the type of expenditure. I should have thought that construction, which tends to be labour intensive, would have both a direct and indirect effect on employment. Furthermore investment is the principal way of benefiting from new technology and of creating new wealth.

The need for additional investment in the public sector is urgent if one is to believe the protestations of those involved. The need is also borne out by the 1981 edition of National Income and Expenditure. According to this net domestic capital formation measured in 1975 £ peaked at £10.9bn in 1973 and has fallen every year since. In 1980 it totalled only £7.3bn, a fall of 33 per cent, I understand the 1981 figure will be even worse. The fall has been most marked in the public sector; indeed net investment in agriculture was negative in 1980, as was gas, electricity and water; while net investment in "social and other public services" has fallen by over 60 per cent!

Surely this sorry tale is both a symptom and a cause of our problems. What is needed is a massive investment programme such as the French undertook in the 1960s.

R. W. Randall.
*21, Clarence Road, Kew Gardens, Surrey.*

## Damaging

*From Mr B. Fish*

Sir,—It is disturbing to read that some recent academic proposals on incomes policies are apparently being taken seriously.

One suggestion is that wage increases in excess of a "norm" should be taxed. One had hoped that "norms" and "going rates" should be receiving the same derisive treatment as "comparability," as these are the three most damaging terms in the economic language of our time.

It is ludicrous to suggest that there is a proper rate of wage increase for even a single industry, much less for the whole of industry, commerce and public service. The only proper rate throughout is zero, all increases being dependent upon the profitability and/or added value performance of the individual employer. Thus, it will be proper for some employers to pay far above the "norm," others nothing: is it seriously suggested that the higher efficiency of the former should actually be taxed?

It is also time that we looked again at arbitration techniques, most of which amount to mere splitting of differences. A system under which an arbitrator had to pronounce in favour of the fairer (in his absolute discretion) of claim or offer would, it is submitted, singularly concentrate the minds of both parties to any negotiation of wages. It would certainly eliminate the ridiculous posturing to which we are currently subjected.

Brian H. Fish.
*16, Queen Square, Bristol.*

## Safety

*From the National Health and Safety Officer, General and Municipal Workers' Union*

Sir,—Your excellent article "Safety: a cost that pays dividends" (December 4) is timely. The recession is indeed forcing many employers into reducing health and safety standards, with commensurate economic loss to themselves and suffering for their employees. For the last two years we have been gathering evidence to show that health and safety pays, and a summary of the scanty information that is available shows that employers can be losing between 2 per cent and 16 per cent of their wage bill each year from a poor safety and health record, and that considerable savings are possible from both safety and health improvements. Greater London Council estimated that each reportable accident cost £1,730. A construction company showed that over a 16-year period it paid £112,000 for 200,000 safety helmets and saved 62 lives as well as £1.5m in accident costs. Another firm calculated that it saved £4,000 a day by improving its ventilation system.

The main problem is that most employers have no idea what their poor health and safety record is costing them because they have no suitable accounting procedures. I participated in a recent NEDO survey into the cost of health and safety for major chemical companies, and very few were able to calculate either their expenditure or savings. Until this country adopts a penalty system for poor performance then sloppy management will continue.

David Gee,
*GMWU, Thorne House, Ruxley Ridge, Claygate, Esher, Surrey.*

## Textiles

*From the Chairman, Textile Industry Support Campaign*

Sir,—There is a danger of yet another myth being created about the EEC textile negotiations currently taking place in Geneva.

Twice in your issue of December 7 you made the point that the textile industries of France, Italy and the UK are restrictionist whilst those of Germany, Holland and Denmark are more liberal.

I can assure you that any liberalism displayed by the German, Dutch and Danish governments is not a reflection of the views of their respective textile industries who are just as vulnerable to the effects of excessive imports as are the rest of us.

It has taken us over 20 years to convince our own Government of our case and we know only too well the frustrations and heartaches of some of the EEC textile industries when they are so badly represented by their negotiators at Geneva.

John G. Bridge.
*115, Windsor Road, Oldham.*

**Patrick Cockburn,** recently in Tripoli, reports on the background to Washington's attempts to isolate Libya

# Gaddafi: from gadfly to demon figure

APART FROM war it is difficult to see how relations between Libya and Washington can get any worse. Last week anti-sniper patrols were crouched on the roof of the White House, rifles at the ready to counter assassins reputedly sent to kill President Reagan by Colonel Muammer Gaddafi, the Libyan leader.

The President retaliated by appealing to 1,500 Americans, many of them oil technicians, to leave Libya. American passports will in future be invalidated for travel there. The aim is clearly to try to cripple the Libyan oil industry which has been dominated by American oil companies for the last 20 years. It also clears the decks for more drastic measures by Washington.

Details of the assassination plot against the U.S. President are still somewhat obscure and it is puzzling, if not plain unlikely, that 14 Libyan assassins have succeeded in concealing themselves in Washington for almost a week. Nevertheless it is clear that for the Reagan administration, and much of American media, Col Gaddafi has become a demon figure, regarded with almost the same animosity as Ayatollah Khomeini in Iran.

Given that there are only 2.8m Libyans, less than the population of Honduras, the country's capacity to infuriate the U.S. seems out of all proportion to its size. Col Gaddafi, like Muhammad Ali the boxer has always had the capacity to grab headlines by militant rhetoric. He has thereby come to symbolise much of what Washington, and particularly the current administration, most dislikes about Arabs and the Third World in general.

Certainly Libya has been involved in some bizarre schemes since Col Gaddafi came to power in 1969. He has tried successively to unite with Egypt, Sudan, Tunisia, Syria and Chad though none of these unions have actually been consummated. He has also backed efforts to overthrow the Governments of most of his immediate neighbours, again without much success.

In 1979 there was an abortive attempt by Libyan troops to prop up Idi Amin in Uganda. A battalion was cut to pieces and survivors had to be ransomed. Last year a purge of dissidents in Libya was extended overseas and a number of Libyans were gunned down in Europe. The publicity given to such ventures was in many ways a tribute to their ineptitude. Both the Syrians and the Iraqis have assassinated their political opponents in exile, but only the Libyans have publicly said they do so.

The apparent inability of the Libyan leader to distinguish between rhetoric and reality makes it difficult to assess the threat he actually poses. After two Libyan jets were shot down by planes from a U.S. aircraft carrier this August, for instance, Col Gaddafi addressed a rally of 25,000 people in the Libyan capital, Tripoli. Mediterranean states with American bases should know, he said, that if the U.S. attacked again "we will intentionally attack the nuclear depots in their countries and cause an international catastrophe." This is the stuff from which headlines are made.

Such statements are part of the reason why even the Russians have kept a certain political distance between themselves and the Libyans. Bulky Soviet officers, wearing uniforms the colour of pea soup, are to be seen everywhere in Tripoli's hotels. Moscow has supplied most of the equipment to the Libyan army, including 2,600 tanks, but Col. Gaddafi is too quirky an ally for Moscow to rely on.

COLONEL MUAMMER GADDAFI

Brana Radovic

A crucial aspect of the relationship between the Libyans and the Russians is Tripoli's capacity to pay for arms in hard cash. "The Americans own the oil companies which produce most of the oil," said a diplomat in Tripoli last month. "The Libyans spend some of the oil revenues on buying Russian weapons. The Russians spend the dollars they get on buying American grain. The tanks sit in the desert and everybody was happy up until Chad."

Certainly the Libyan intervention in its vast southern neighbour Chad in December last year changed the attitude of many European and African states towards Col Gaddafi. Libyan foreign policy had at last had a success. The Russian tanks were used for the first time. Acting in support of Chadian President Goukouni Oueddei Libyan troops gained control of Chad's capital, N'djamena.

But taking over the capital proved very different from controlling the whole of that vast impoverished country, riven by factions and private armies. Like the French before them the Libyans found little profit in Chad. By October, under pressure from Paris, President Goukouni asked Col Gaddafi to withdraw his men.

By pulling out of Chad the Libyans aim to improve their relations with West Europeans, African states and other Arab countries. Indeed at the time the Libyans moved into Chad a senior Libyan official was touring various EEC members, drawing their attention to the $55bn Libyan five-year plan (1981-85) and suggesting that Col Gaddafi be invited for an official visit.

By spring this year Col Gaddafi and his advisers in Tripoli were beginning to appreciate that they would need all the friends they could find in the face of growing American hostility.

The most startling aspect of this conflict is the disparity in strength between the two protagonists. Although Libya looks big on the map of Africa or the Middle East, most of the country is barren desert. Population is largely confined to a coastal fringe around Tripoli or Benghazi, both of which look very much like any other Mediterranean port city, except that every flat surface seems to have been painted in Libya's national colours, a grim looking dark green. Past alliances, many now abandoned or in cold storage, such as unity with Syria, are commemorated only by flyblown-looking posters peeling from the walls.

Neither city looks like a centre of revolutionary ferment and their inhabitants have a somewhat docile, lackadaisical air. Even the shooting down of the two Libyan jets in August produced little popular reaction. The progressive closure of private businesses culminating in the takeover of private shops, now replaced by shiny new supermarkets, has provoked discontent as has the limitation on the size of bank accounts, the difficulty of taking a holiday abroad and military conscription.

But none of this forms the material for popular revolt. The regime could only be overthrown by officers in the 60,000-80,000 strong armed forces. These are well paid and carefully watched, officers are frequently switched from unit to unit and there is also a hard core of intelligence agents and security men from Eastern Europe.

Almost all officers have been personally appointed by Col Gaddafi. In theory he is no longer head of state and power has been devolved to the revolutionary committees, formed in 1979, which have a shadowy executive authority. In many ways they resemble the Red Guards during the Cultural Revolution in China. In practice real power is held by Col Gaddafi and four other members of the Revolution Command Council which seized power in 1969.

Libya remains entirely dependent on its oil revenues which soared from $9.3bn in 1977 to an estimated $24bn last year. This has allowed Libya to fund heavy industrial schemes such as the Misurata iron and steel complex which will cost $4.6bn. Imports have flooded in. Last month there were some 145 vessels off Tripoli harbour waiting to dock and another 90 off Benghazi.

The danger for the Libyans is that between April and October their oil output dropped from 1.6m barrels a day to 600,000 b/d. The oil companies made a concerted effort to drive down the price of very expensive North African crudes. Exxon decided to pull out entirely. It was only last month that Libya decided to reduce the tax paid by the companies producing oil in Libya, which has led to some increase in output.

The oil companies are also increasingly worried by a possible U.S. embargo on the purchase of Libyan oil. Libya has always been the territory of the American independents, notably Occidental and the three members of the Oasis group: Marathon, Amerada Hess and Conoco. Oasis is still negotiating with the Libyans on prices but Occidental is lifting somewhat under 200,000 b/d and it is extremely unlikely that it would ever agree to end its profitable Libyan operations — despite its withdrawal of American personnel.

### Any other trade sanctions would be ineffectual

A U.S. embargo on the purchase of Libyan crude would do some damage to the Libyan economy, though sales to the U.S. are only 275,000 b/d. But if Tripoli wants to increase its oil revenues, with or without a U.S. embargo, it can always do so by lowering its price. Any other form of trade sanctions against Libya would most likely be as ineffectual as those against Iran last year.

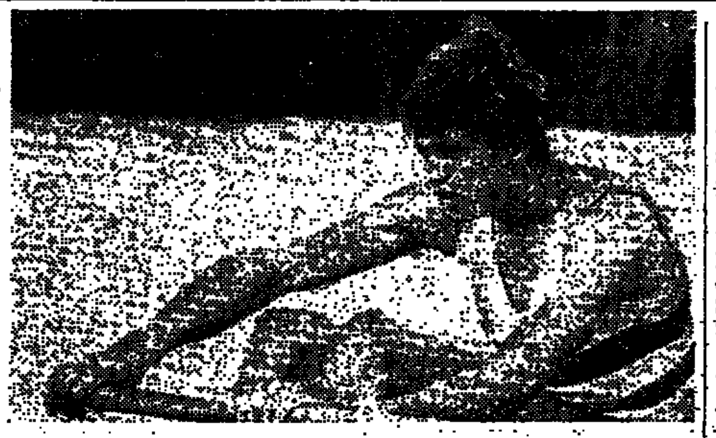
EEC countries have no desire to curtail the business they now do. Britain alone expects to have exports to Libya worth about £450m this year, despite the fact that it has almost no big construction contracts. The Italians and the West Germans have an even bigger stake. They are eyeing such projects as the $7bn five-year scheme to bring water from underground reservoirs in the eastern province to the coast. Tenders are also expected for a $1.5bn oil refinery at Misurata.

Libya's oil revenues are expected to fall to $14bn-16bn this year and a number of these major projects will be delayed or postponed. Contractors are already worried by late payments and there is a cutback on new orders. Libyan-U.S. tension will also make export insurance more difficult to acquire. But with the depression in Europe the Libyan market still looks very attractive and companies will continue to go there.

Economic sanctions against Libya by the Reagan administration will have a very limited impact. Already Presidential and Congressional rhetoric against Col Gaddafi has created a sympathy for Libya among the other Arab states which did not exist before. In the past they have regarded him as an irresponsible gadfly of much less power and significance than Washington believes.

American attacks on Col Gaddafi are now giving him an importance in Arab and African politics which all his escapades of the past decade could not achieve. Ordinary Libyans in the streets of Tripoli and Benghazi are likely to attribute economic difficulties to Washington rather than their own Government's mistakes, according to Western diplomats. Ironically President Reagan now seems to be giving Col Gaddafi credibility in the Middle East and in Libya itself which he has craved for so long.

## Weekend Brief



Dan Topolski, Oxford's head coach, and Mark Andrews, one of the old Blues he would like back

### A touch of the blues for Blues

Academic and professional pressures are taking their toll at Oxford University Boat Club —for very revealing reasons.

Oxford, which has won the past six successive boat races, finds itself in the unusual situation this year of being deprived of the services of five resident —highly talented—rowing Blues. Two of them won silver medals in last summer's world championships at Munich, while three helped to win the Grand at Henley for Oxford for the first time in 102 years in a composite crew with Thames Tradesmen.

Some of the errant Blues feel the academic standards needed for a successful career have risen and the value of a rowing Blue to a prospective employer—even the brewers, traditional patrons of Blues—has decreased. The incentive to row in the boat race several times and win several Blues is therefore lower.

Mark Andrews, 22, a lawyer, who has rowed in two boat races —as well as in this year's Grand and Munich crews—faces finals next summer. He says that 20 years ago, it was possible to row ambitiously, get a good degree, and still enjoy Oxford. This is no longer so.

The boat race has become so competitive that oarsmen need to put in up to six hours a day training for three to four months if they hope to win. They are then almost inevitably under pressure to train throughout the exam season for Henley.

More important, Mark says: "There is a feeling that with the economic depression, jobs are harder to get. People used to think that just having a Blue would be enough, but that is no longer the case. Because the competition is tougher, you need more than a rowing Blue."

The chance of a graduate with anything less than a good second getting a job with most London law firms is virtually nil. Mark adds: "And I don't know how interested lawyers are in rowing qualifications."

Richard Emerton, 21, a prospective accountant in his final year studying law, who captained Isis—the Oxford reserves—in his first year on the Tideway and won a Blue in his second, regrets his decision to give the boat race a miss, but feels it was in his own best interests.

"About 10 years ago, you were either given a 'sportsman's second' or if that didn't happen your potential employer was rather impressed by a Blue and would not have expected your degree to be as good. You don't get sportsman's degrees nowadays."

Naturally enough, this distresses Mr Dan Topolski—the son of Felix Topolksi the artist —who has been Oxford's head coach for 10 years and trained seven winning crews.

Although he accepts that academic demands are higher, he says: 'I do believe that if you organise yourself well you can get a good second." "He admits that a boat race oarsman is likely to get a poorer degree than if he had not rowed.

Most of the 16 Oxford oarsmen now training for the race on March 27 are, however, delighted that so much of last year's talent is missing. It gives them a better chance of getting into the crew. Mr Topolski adds; those who are guaranteed a place in the boat sorely miss those not taking part.

This is good news for Cambridge's chances of exacting revenge for its losing run. Mr Topolski feels it is too early to predict the boat race result because the two crews have not been chosen. He says: "It is very level pegging at this stage." A former Cambridge oarsman ("Won one, lost one and sunk one") commented: "At the moment it looks like our best chance in six years."

### Footballing imagery at Harrods

A pre-Christmas Saturday afternoon shopping scramble in Harrods of Knightsbridge, Londons' top store, looks comparatively serene when set against the fight for control of the business.

This week plans of Mr Roland ("Tiny") Rowland, Britain's most controversial entrepreneur, and his company, Lonrho, received what many regard as a temporary setback to acquire control of the House of Fraser, the parent company of Harrods. Government authorities ruled that it would be against the public interest if Lonrho were allowed to take over the Fraser empire.

Professor Roland Smith, the 55-year-old part-time chairman of Fraser, was looking relaxed even though the 18-month battle was still raging around him this week.

"I don't wake up in the middle of the night screaming," he said: "I don't have this terrific phobia about Lonrho or Mr Roland or anything like that. It doesnt' dominate my life or thinking."

Professor Smith is Professor of Marketing at Manchester University. He regularly lectures there each Friday, and yesterday was due to go out for an end of term drink with the students. Before becoming chairman of House of Fraser Professor Smith was hardly a public figure and now finds himself at the centre of the arena in which the toughest takeover battle that the City has seen is being fought.

"You've got to avoid believing your own public relations," he said "That would be fatal. You have to keep your feet firmly on the ground. If you're a university professor you are with students and there are no better people to keep your feet on the ground than them.

"They are not exactly respectful."

He has a string of other directorships which he is coy about putting a number on. "It is more secret than the public sector borrowing requirement."

A Mancunian, and what he describes as part of the "Manchester mafia," a group of successful local businessmen, Professor Smith is a keen Manchester United supporter. His conversation is peppered with football metaphors. "Football is an industry like any industry. It gets across to managers if you refer to this. I was saying today for instance that we don't need a management which is just going to do today's work, we need managers who are going to do tomorrow's work. It is rather like if you want to win the first division you are going to need 17 first-class players. You don't want 11, for if one gets injured you've lost all the rhythm."

How does the Professor cope with all his business commitments? "I like people to come running at me with ideas and plans, rather than me telling people what to do. I am not that kind of chairman. I am a person that believes in having very good people around me either as advisers or as executive directors. It is a Sir Matt Busby type of management—get good players, put 'em on a field and let 'em play."

Professor Smith comes from a mining family and a working class background. How did it feel to walk into Harrods, the bastion of privilege and wealth, and know that you're the boss. "I think it is a marvellous environment. All I am concerned about is improving the quality of the management. We have a social responsibility. But I consider myself classless." The managers have arrived at Harrods.

### How to succeed in textiles

"I say, I say, I say, my brother-in-law's a commercial traveller —he travels in ladies' underwear." ... "But doesn't he get arrested?" This memory of the old variety halls shows that there is nothing much new under the sun, including this year's rush by department stores to enlist men to sell lingerie.

A schoolmate of mine, now the owner of several hotels in the north started his business career selling such articles to Greater Manchester corner shops in the 1950s and still cherishes his title, "The Knicker Man," and uses it on public-speaking occasions whenever possible.

The House of Fraser (the stores group embracing Rackham's and others as well as Harrods) has joined the new wave this year. Its Midlands empire (which cuts out Harrods, naturally) has put its male trainees ("the 25 to 35 age group and very straight young men," a spokesperson assures us) to work on handling male customers for lingerie and making them feel at home, so to speak.

"Mostly," the spokesperson said, "they come from the linen department—bedding, table cloths and towels. The experience in the underwear department is bound to be valuable for their future in selling textiles.

So Fraser's experiment is not just a Christmas gimmick. The group hopes to make it pay off in the future—and it seems a better idea than that of the London-based up-market fashion house which is holding what they call "intimate evenings" with champagne to educate men in buying ladies' underwear.

The Fraser spokesperson was female, and will remain unnamed—she seems to be happy about what looks like a last outpost of male chauvinism. "I don't expect problems with the feminists. We want to preserve the image of a department store as a place where a woman can enter looking like a badly-kept haystack and emerge as an alluring person."

Prices in the Fraser stores range from £9.95 for what are called "fun nightshirts" for men to pure silk ladies' nighties at about £150. The male selling service is available at Fraser stores in Bradford and Sheffield, Manchester and Leamington Spa—male preferences in individual areas will be left to further surveys. "Cheltenham and Shrewsbury are doing it, but not Cirencester," the spokesperson said. (Cirencester is an old county town.)

"Actually," she said, "most women are quite happy to wear a pair of bikini pants and nothing else, but if the men want to go mad with a present, that's all right." A £150 nightie will be welcome, particularly to the House of Fraser.

Contributors:
William Dawkins
John Moore
Alan Forrest

## Economic diary

**TOMORROW:** Mr Alexander Haig, U.S. Secretary of State, starts an official three-day visit to Ankara.

**MONDAY:** Provisional index of industrial production for October and provisional retail sales figures for November. FT Conference on World Banking at Grosvenor House, W1 (to 15th). EEC Finance Ministers meet in Brussels. European Parliament commences five-day session in Strasbourg. Opening of two-day meeting by the EEC Fisheries Council in Brussels. EEC Foreign Ministers attend meeting in London. Parliamentary Committee resumes hearings on Lloyd's of London's proposed legislation for improving the insurance markets self-regulation.

**TUESDAY:** Agriculture and Transport Councils of the EEC meet in Brussels. Polish Parliament discusses promised economic reform. Economic and Social Committee of EEC in plenary session.

**WEDNESDAY:** Indices of average earnings for October and basic rates of wages in November. Mrs Margaret Thatcher addresses European Parliament in Strasbourg. Labour Party National executive Committee meets. Sir Geoffrey Howe, Chancellor of the Exchequer, and chairman of major nationalised industries discuss ways to improve working relatiionships.

**THURSDAY:** Revised capital expenditure statistics for manufacturing, distributive and service industries for the third quarter. Revised figures for manufacturers' and distributors' stocks. Cyclical indicators for the UK economy for November. Bank of England Bulletin (third quarter): UK banking sector statistics; financing of the Central Government borrowing requirement money stock. Investment intentions of the manufacturing, distributive and service industries (1982-83). Mid-November figures for: UK banks' assets and liabilities and the money stock; London dollar and sterling certificates of deposit. Law lords judgment on GLC cheap fares policy. Mr Casper Weinberger, US Defence Secretary, meets King Hassan in Fez.

**FRIDAY:** November figures for: retail price index, tax and price index and usable steel production. Sales and orders in the engineering industries in September. National Union of Mineworkers' delegate conference on strike ballot.

# UK COMPANY NEWS

## Hunslet dividend boosted

TURNOVER and pre-tax profits of Hunslet (Holdings), engineering concern, both showed increases for the year ended August 2, 1981, and the dividend is lifted from 5.6p to 7.5p net per 25p share.

The taxable surplus for the period went ahead from £2.01m to £2.68m on turnover up by nearly £4m to £14.39m (£10.47m).

Tax was much higher at £1.39m (£240,000) leaving the attributable balance behind at £1.29m, compared with a previous £1.77m.

Earnings are shown as 107.5p (75.6p) per share, and on a CCA basis the pre-tax figure is reduced to £2.24m.

## Associated Sprayers dips to £228,000

A drop from £426,229 to £228,542 in pre-tax profits is reported by Associated Sprayers for the year to August 31 1981. First half profits were down from £215,000 to £28,000.

Sales of this manufacturer of garden and household sprayers and clothes drying aids, moved ahead from £6.8m to £6.97m. Trading profits fell from £494,870 to £271,009, but interest charges were lower at £42,467 against £68,641.

After tax, considerably higher at £52,473 (£19,192), net profits came out at £176,069 (£407,037). The final dividend is unchanged at 0.75p for a same-again total of 1.25p. Dividends absorb £107,675 (£104,193). Stated earnings per 10p share are down from 4.67p to 2.02p.

Commenting on the year's figures, Mr R. W. O. Beney, the chairman, says it is a good result, given the current trading conditions. "Despite the circumstances, we continue to invest and plan for the future," he says.

On a CCA basis, pre-tax profits are reduced to £85,542.

## Nth. British Steel grows to £595,000

A second half boost from £191,000 to £393,000 has lifted the taxable surplus of North British Steel Group (Holdings) to £595,000 for the year ended September 26, 1981, compared with a previous £296,000.

Sales of this steel founder and engineering concern went ahead from £11.75m to £13.64m and the dividend is increased to 2.2p (2.02p) net per 25p share with a final payment of 1.49p.

Profits were struck after interest charges, little changed at £93,000, against £92,000, and were subject to tax of £49,000 (£56,000). Earnings are shown as 10.7p (4.6p) per share on net profits of £546,000 (£240,000).

On a current cost basis the after-tax figures is a £68,000 loss.

## Whittington Estates omits interim

Whittington Estates, formerly Levex, incurred taxable losses of £60,000 for the half-year ended June 30, 1981, compared with profits of £82,000. Turnover slumped from £2.26m to £173,000. And the interim dividend is omitted, against a previous 0.5p.

Figures for the six months do not include results of Levex (Prints and Fabrics)—sold on *September 30 last. Expenses of* £15,000 on the sale of this company are included in the losses for the period, as well as a provision of £20,000 for the cost of an empty leasehold property.

This property is now fully let and action is being taken to recover the outstanding costs, the directors state.

On selling the last textile interest, the group is financially more secure and ready to develop as a property investment concern. Various properties are *being considered, the directors* say.

Above the line there was a profit of £12,000 (nil) on the sale of an investment. There was no tax (£19,000) and after a pre-acquisition loss of £13,000 (nil) the deficit was £47,000, against a £73,000 profit.

Loss per share is shown as 0.54p (earnings of 1.01p) and 0.45p (0.81p earnings) fully diluted.

## Belgrave's troubles deepen

Heavier losses of £101,064, compared with £66,694, are reported by Belgrave (Blackheath) for the six months to July 31, 1981, and Mr C. H. Pittaway, the chairman, describes the figures as "disappointing."

He says poor conditions continue in the engineering industry, but the company has started the second half with a much reduced rate of loss. However, he adds that it will take much effort and some improvement in the industrial climate before the group returns to an acceptable trading level.

Turnover of this holding company with interests in forging *and machining, fell from £2.02m* to £1.46m.

After tax, down from £1.99m to £963,000, and extraordinary debits of £5,244 (£45,000) the net loss was £107,271 (£113,680). There was a loss per 25p share of 3.8p *(2.7p)*.

On a CCA basis, pre-tax losses were £141,064 (£279,080).

# Some second half recovery at JFB

WITH A small pre-tax profit of £140,000 in the second half of the year to September 30 1981 Johnson and Firth Brown, engineer, cut its *midterm loss of* £2.88m to £2.74m by the year end. In the second six months of last year the company produced a surplus of £1.54m and profits for all of 1979-80 totalled £5.58m.

The directors explain that the improvement in the latter part of the year under review was not due to any change in trading conditions, but resulted from the drastic action taken, which is reflected in extraordinary debits *this time of £6.77m (£2.81m).*

They say that indications are that the recession is no longer getting worse but there are as yet only small signs of any improvement in orders. Accordingly, only a nominal final dividend of 1p per *1,000 shares is being paid to* maintain trustee status. The interim dividend was omitted, as was last year's final following an interim of 1.3p net.

Turnover for the year fell from £289.43m to £210.4m and a breakdown of trading profits of £3.66m (£14.8m) shows: steel £2.64m (£8.15m); rod and wire £222,000 (£1.88m); engineering £1.37m (£2.34m); U.S. nil (£3.01m); central administration costs £570,000 (£578,000).

Interest charges took £7.09m compared with £9.27m and, share of associates profits added £692,000 against £57,000.

The tax charge was down from £2.44m to £515,000 leaving the net deficit at £3.26m compared with a profit of £3.14m. After the extraordinary charges, the attributable balance showed a turnround from a profit of *£332,000 to a loss of £10.03m and,* with ordinary dividends taking £1,000 (£1.38m) and the preference payment costing £531,000 (£532,000), the amount trans*ferred from reserves totalled* £10.56m (£1.58m).

The net loss per 25p share for the 12 months amounted to 3.6p (3p earnings) and the net asset value per unit at the year end was 65p (75p). Capital *expenditure for the period* totalled £5.8m (£3.4m). On a CCA basis the loss before tax is stated at £9.74m (£2.78m).

As reported last year, the company sold 50 per cent of its interests in the U.S. with effect from September 26, 1980. Consequently, in the results now reported, the remaining 50 per cent of U.S. profits is shown as share of associates.

Johnson and Nephew (Manchester) and Johnson and Nephew (Ambergate) were sold at net book value with effect from March 31 1987. The result of the two company's for the first half of the year have been *included in the accounts.* A sum of some £6.8m had been included in debtors on the group balance sheet, representing additional amounts receivable by JFB in respect of intercompany debt in instalments *over four years.*

The directors point out that the fall in turnover for the year is partly due to the disposal of these subsidiaries, with the figure they contributed in the accounts amounting to £17.1m (£56.4m).

At September 30 1981 shareholders' funds totalled £74.18m (£84.9m), fixed assets and investments stood at £70.47m (£73.13m) and net current assets were £53.92m (£67.73m).

*See Lex*

# Baker Perkins cuts deficit at six months

FOR *the half-year ended* September 30 1981 turnover of Baker Perkins expanded nearly £9m from £52.47m to £61.22m, and pre-tax losses were cut from £1.76m to £213,000.

The interim dividend is held at 2.1p net per 50p share for this plant and machinery manufacturer for the food, chemical and printing industries.

Sales increase was a result of higher value, in sterling terms, of the North American and Australian sales, inflation, and to some extent, the improved level of order taking, directors explain.

Orders valued at £85m were received during the six months —a rise of 20 per cent—and on hand at September 30 they amounted to £87m. This is compared with £62m, last time, and £57m as at March 31.

The directors say this has provided the base for a significant sales increase which should result in a very satisfactory *profit in the second half of the* year. Surplus for the second six months of last year was £3.79m making a full period profit of £2.03m—total dividend for 1980/81 was 5.1p.

There was a trading profit of £1.99m (£962,000) for the half year, and the pre-tax figure was after redundancy and severance costs of £436,000 (£804,000), share of associates losses, £900,000 (£800,000), and interest amounting to £863,000 against £1.12m.

Tax was much higher at £1.13m, compared with £37,000, leaving an attributable loss of £1.34m (£1.91m after minority interests of £113,000). The tax charge was a result of the company's inability to offset losses in West Germany and the UK against profits earned elsewhere, together with the costs of ACT on the interim dividend. A more normal charge is expected for the full year, the directors say.

*Loss per share is given as 4.1p* (5.7p).

Although the West German associate, Werner and Pfleiderer KG, does not produce interim results, the directors believe that a £900,000 provision which *has been made against this* investment, adequately reflects the share of the estimated loss for the half year attributable to the group's interest.

The directors of the West German company are, however, *forecasting a breakeven result* for the full year ended December 31.

### ● comment

Baker Perkin's pre-tax loss, much smaller than for the corresponding period, should be seen in the light of its strong bias towards second half profitability. Sales have been picking up, particularly on the printing side. The recent French acquisition, Pavailler, is continuing to do well, *showing few signs of the* Mitterrand effect. However, the company's 27 per cent stake in Werner and Pfleiderer is again proving a troublesome investment, the estimated £900,000 share in its losses being much *bigger than exepected. Never*theless no immediate change of policy is envisaged. Redundancy costs for the year are expected to be about £½m, half last year's figure. The company is spending about $8m over two years in moving its U.S. food machinery base from Michigan to North Carolina, in order to reduce significantly its labour and rates costs. ACT problems are expected to be greatly eased in the second half when useful profits from the UK should be coming in. With orders on hand 40 per cent up on the corresponding period, much improved pre-tax profits for the year are likely. The share price, which fell 2p to 80p, yields an attractive 9.3 per cent historically.

# Phoenix Timber reduces losses to £0.3m

TRADING results of the Phoenix *Timber Company in the six* months to September 30 1981 represented a considerable recovery compared with the loss of £2.1m incurred in the previous six months, say the directors.

*The first quarter of the* current year showed a much reduced loss and was followed by a profit in the second quarter. In the six months overall there was a pre-tax loss of £297,000 against £447,000. No interim is *being paid—last year's payment* was 1p, but there was no final.

The directors say that in view of continuing unsettled economic conditions, a decision concerning the dividend is being deferred until trading results *for the full year are known.*

Group sales for the first half rose from £18.76m to £19.61m. *Results fo Hahn and Company* are included from its acquisition in June 1980.

The pre-tax figure was struck after financial charges of £912,000 (£1.03m) and provisions against stocks and purchase *contracts last time of £300,000.* There was no tax charge against a credit of £75,000.

The attributable loss was £297,000 (£210,000, which included an extraordinary credit of £162,000). The stated loss per *25p share was 10p (12.5p).*

### ● comment

Like the two timber majors who reported earlier this week, Phoenix is moving in the right direction. Since the elimination *of last year's excess stock,* at written-down prices, gross margins have been positive. Currency *risks* have not had the same catastrophic impact as in 1980, and stability has been aided by the re-instatement of currency cover in Russian contracts. Sales to the building industry remain negligible, but *Phoenix's manufacturing* companies have been doing well, while sales of packing-case timber and joinery have improved. Since there was a loss for the half-year, it is too soon to talk about rebirth, but *trading recovery has been more* rapid than expected, to the extent that profits covered the interest charge for the second quarter. Capital gearing remains steep, at 102½ per cent, but is gradually relaxing. A big *impact would be felt if Phoenix* could actually sell some of the £2¼m of property which is on *the market, but there have been* no takers so far, which suggests that last year's professional revaluation may have erred on the optimistic side. The shares fell back 4p, to 98p.

### UNDERWRITING ACQUISITION

The Baloise Insurance Company, of Basle, and Baltica-Scandinavia, of Copenhagen, have jointly acquired the Lennox Underwriter Agencies of London.

Baloise, the leading Swiss transport insurer, took part in the acquisition to strengthen its position on the London market. It has belonged to the Institute *of London Underwriters since* 1979.

# Results due next week

FORECASTING the interim results of Distillers is not a game in which all analysts of the company are willing to compete: heavy bias towards the second half makes the enterprise rather chancy. Still, there is an argument that when the figures are rolled out on Thursday they will fall short of last year's £77.8m by 10 per cent or so: strong sales in the final quarter of 1980-81 are thought to have been helped by anticipatory buying (at the expense of the current year). The full year forecasts are more numerous and rosier: estimates of over £190m (against £181m before tax) are not uncommon, based on a measure of distribu*tors' restocking and better* sterling margins obtainable in the U.S. after this year's exchange rate movements.

Arthur Guinness went into its second half under the shadow of some curious advice from the chairman, cautioning shareholders against the assumption of a maintained final dividend. At the time, a dispiriting performance from the non-brewing *interests had been complemented* by a decline in UK beer production. The outlook was for further volume decline following increased excise rates, and for significant reorganisation costs to be taken in the second half as non-brewing activities were cut down to size.

Hanging over all this was the weakness of the punt, threatening deep cuts in the sterling value of Irish profits. In the event, beer sales are thought to have held up quite well, and the punt-sterling rate at the end of September had recovered almost to its 1980 value.

*It is now generally expected* that when the preliminary figures appear on Tuesday, the dividend will after all be unchanged. But pre-tax profits are unlikely to exceed last year's £43.3m, and current cost cover for the dividend will be *sketchy.*

Nine-month pre-tax profits of BOC International have already surpassed last year's £61.5m total but there is still a surprisingly wide range in estimates of the full-year result, from £85m *to £93m. Among the uncertainties* are the extent to which the South African and Australian subsidiaries are maintaining their strong momentum and the impact of currency shifts. European profits are being helped *more* by major rationalisation — redundancy charges are likely to total £12m — than any marked *improvement* in engineering operations or gas volumes. The interim dividend was raised 10 per cent at the time of the group's £82m convertible loan *stock issue and a similar rise is* expected in the final to about 2.8p, making 5.1p for the year.

Analysts expect pre-tax profits of about £35m from English China Clays, when figures for the year are released on Thursday. This represents a second half recovery with clay volume down only 3 per cent from the corresponding period, as opposed to 17 per cent in the first half. Improved internal efficiencies, particularly in the disposal of waste, are held largely responsible. There has been greater concentration on the higher margin coating grades, with some loss of market to the lower quality East European filler grades.

There has been improved overseas contribution, particularly from the U.S. subsidiary Southern Clays, acquired in 1979. 1982 prospects are good, chiefly due to expected steep rises in pulp prices, giving ECC scope for widening margins. A final net dividend of about 3.8p is anticipated, representing an 8 per cent increase, in line with the *improvement in the interim.*

Losses are always difficult to forecast precisely. ICL, which reports preliminary figures on Tuesday for the year ended last September, could show pre-tax losses between £40m and £55m, with perhaps another £20m below the line, against pre-tax profits of £25m last year. Analysts are now focusing on the group's expected return to profit in the current year. This will be achieved largely on the *strength of /loss elimination,* cost-cutting, plus some currency gains. These predictions range from £5m to £30m pre-tax depending on how comprehensive the extraordinaries are in next week's figures. The market remains confident that a cash call is on the cards, possibly a whopper one-for-one rights issue to raise £50m or perhaps a fancier convertible.

Dividends are not expected for another year at least.

Two big food groups, Unigate and Northern Foods, are publishing statements next week and both are expected to produce improved figures. At the time of its £43m rights issue last month, Northern estimated that its profits for the year to September would be £34m before profit sharing and tax compared with £31.6m. The directors also undertook to pay a final dividend of 3.2p, making 5p for the year. The preliminary statement is due on Tuesday.

Estimates of Unigate's interim profits range around £17m compared with a very depressed *£14.4m last time. Liquid milk* profits should be well up, thanks to a 9 per cent price increase in January while a first interim contribution from Giltspur will help offset declines from the meat companies. The benefits from the closure of Scot Meat and the acquisition of Casa Bonita in the U.S. will start to come in the second half. Last year, Unigate's unpredictable management put up the dividend despite lower profits so it is difficult to know what to expect this year.

*Among other results due next* week are preliminary figures from Dobson Park on Monday and Redfearn on Tuesday. AE, formerly Associated Engineering, and United Scientific release preliminary figures on Thursday and Friday respectively. Interim figures are expected from London Merchant Securities on Tuesday and from Vaux Breweries on Thursday.

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| AE | Thursday | 1.63 | 1.37 | — |
| BOC International | Monday | 2.1 | 2.52 | 2.31 |
| Bluemel Bros. | Wednesday | 1.65 | 1.65 | — |
| Carr's Milling Industries | Tuesday | 1.25 | 2.75 | 1.25 |
| Cowie (T.) | Wednesday | 0.8 | 2.2 | 0.8 |
| Davenports Brewery Holding | Friday | 1.1 | 2.8 | 1.135 |
| Dobson Park Inds. | Monday | 1.898 | 3.31 | 1.9 |
| Dubilier | Friday | 0.651 | 0.746 | 0.651 |
| Elson & Robbins | Wednesday | 1.509 | 3.491 | — |
| English China Clays | Thursday | 2.5 | 3.5 | 2.7 |
| Guinness (Arthur) | Tuesday | 1.575 | 3.325 | 1.575 |
| Hardys & Hansons | Friday | 3.1 | 8.0 | 3.7 |
| I.C.L. | Tuesday | 0.95 | 2.025 | — |
| Jackson (J. & H. B.) | Tuesday | 0.75 | 0.8 | 0.75 |
| *Kelsey Industries* | *Tuesday* | 2.5 | 5.5 | 2.5 |
| Lake & Elliot | Tuesday | — | 2.0 | 1.0 |
| Leech (William) | Tuesday | 3.3 | 3.3 | 3.3 |
| Marley | Wednesday | 1.0 | 1.25 | 1.0 |
| Martin The Newsagent | Monday | 3.6 | 5.75 | 3.96 |
| Northern Foods | Tuesday | 1.6 | 2.8 | 1.8 |
| Nottingham Brick | Thursday | 2.0 | 4.62 | 2.0 |
| Plaxtons (G. B.) | Tuesday | 3.0 | 5.5 | 3.0 |
| *Redfearn Nat Glass* | Tuesday | 5.28 | 5.28 | 3.0 |
| Redman Heenan Intnl. | Thursday | 2.2 | 2.0 | 2.2 |
| Reliable Properties | Monday | 1.25 | 1.25 | 1.25 |
| Reliant Motor | Friday | — | Nil | — |
| Sidlaw Group | Thursday | 1.5 | 1.5 | 2.5 |
| Stenhouse Holdings | Wednesday | 1.82 | 2.83 | 1.82 |
| United Scientific Hldgs. | Friday | 4.0 | 3.0 | — |
| Vaux Breweries | Thursday | 2.212 | 4.62 | 2.5 |
| Whessoe | Thursday | — | — | 3.0 |
| **INTERIM DIVIDENDS** | | | | |
| Alliance Inv. | Tuesday | 1.0 | 1.7 | |
| Associated Tooling Inds | Friday | 1.8 | 2.094 | |
| Austin (E.) & Sons | Wednesday | 0.425 | 0.8875 | |
| Batleys of Yorkshire | Friday | 0.5 | 1.7 | |
| Beechwood Construction (Hldgs.) | Tuesday | — | 1.0 | |
| Brasway* | Monday | 2.0 | 2.0 | |
| British Steam Specialties Group | Thursday | 2.0 | 3.25 | |
| Brotherhood (Peter) | Friday | 1.0 | 1.0 | |
| Chapman & Co. (Balham) | Tuesday | 3.8 | 2.0 | |
| Continuous Stationery | Friday | 0.9 | 3.4 | |
| Crown House | Monday | 2.25 | 3.0 | |
| Cropper (James) | Monday | 1.5 | 2.5 | |
| Deritend Stamping | Monday | 2.2 | 4.4 | |
| Distillers | Thursday | 3.0 | 7.75 | |
| Doranakande Rubber Estates | Thursday | 1.0 | — | |
| Equity Consort Investment Trust | Wednesday | 2.375 | 6.3 | |
| Equity & Law Life Assurance Society | Tuesday | 4.0 | 9.0 | |
| Firth (G. M.) (Hldgs.) P.L.C. | Thursday | 1.5 | 1.5 | |
| Geevor Tin Mines | Thursday | 2.8 | 5.6 | |
| Gieves Group | Monday | — | Nil | |
| Gresham House Estate | Monday | 1.4 | 2.25 | |
| Hampton Gold Mining Areas | Wednesday | 1.5* | 3.0* | |
| Haslemere Estates | Monday | 1.25 | 3.95 | |
| Ingram (Harold) | Friday | 1.44 | — | |
| Jacksons Bourne End | Wednesday | 2.0 | 3.0 | |
| *Kennedy Smale* | *Wednesday* | 2.1 | 2.275 | |
| Latham (James) | Monday | 3.35 | 4.65 | |
| Lennons Group | Wednesday | 0.75 | 1.65 | |
| London Merchant Securities | Tuesday | 0.4 | 0.8 | |
| Marsden Thompson & Evershed | Wednesday | 1.25 | 1.0 | |
| May & Hassell | Monday | 1.3 | 2.0 | |
| Normand Electrical Holdings | Monday | 1.0827 | — | |
| Paterson Jenks P.L.C. | Thursday | 0.625 | 1.41 | |
| Property Holding & Investment Trust | Tuesday | 1.23 | 1.85 | |
| Radiant Metal Finishing | Wednesday | 1.0 | 2.0 | |
| Russell (Alexander) | Wednesday | 0.75 | 1.25 | |
| Syltone | Thursday | 1.6 | 7.2 | |
| Tex Abrasives | Tuesday | 0.75 | 2.5 | |
| Trustees Corporation | Thursday | 0.9 | 1.85 | |
| Triefus | Monday | 0.875 | 2.0 | |
| Unigate | Thursday | 2.0 | 3.7 | |
| Whitecroft | Monday | 1.25 | 2.8 | |
| Wood (S. W.) | Friday | 0.5 | 0.5 | |
| **INTERIM FIGURES** | | | | |
| E.R.F. (Holdings) | Friday | | | |
| Hoskath Motorcycles | Monday | | | |
| Intasun Leisure Group | Tuesday | | | |
| Premier Consd. Oilfields | Tuesday | | | |
| Trafford Carpets (Hldgs.) | Thursday | | | |
| Wolverhampton Steam Laundry | Thursday | | | |
| *Wyndham Engineering* | *Wednesday* | | | |

*Dividends shown net pence per share and adjusted for any intervening scrip issue.

## LOFs agrees to meet with Leane

Following the dawn raid which gave Leane Investment Corporation, acting on behalf of Indonesian businessman, Mr Faisol Hashim, 17.23 per cent of London and Overseas Freighters, LOFs has agreed to met with Leane.

However, Mr E. Kulukundis, chairman of LOFs, points out that the price offered in the raid of just over 50p is substantially *below the company's assets value* and has no regard for its potential. In a letter to shareholders he advises them not to sell their shares at this level.

## Reed takeover of Berrow cleared

*The Secretary of State has* granted consent for the transfer of the 45 newspapers owned by the Berrow's Organisation to Reed International.

Reed has given assurances that it will use its best endeavours *to dispose of West of England* News within one year of acquiring the Berrow's newspapers, and that during the period when it temporarily own both West of England and Berrow's there will be no consultation or cooperation on trading matters between the management of those two subsidiaries.

### DUNLOP

Department of Trade inspec*tors have once again been unable* to come to any conclusions about the Far Eastern shareholders in Dunlop Holdings. This time they have given up the attempt because Dunlop has sold its Malaysian plantation interests to Multi Purpose Berhad.

In July 1980 the DOT began looking into the build up of shareholdings in Dunlop. It emerged that a 17 per cent stake was held jointly by Pegi Malaysia and Multi Purpose, but *a further 13 per cent was said* to be held unidentified Far Eastern investors.

The DOT inspectors reported in February of this year and admitted that they had been unable identify the beneficial owners behind these blocks. They have since had another attmept at unravelling the mystery but yesterday the Department said that the new enquiry "adds little" to the interim report and was not worth publishing.

### ALEXANDER HOWDEN

The registration statement in connection with the recommended offer by Alexander and Alexander Services for Alexander Howden Group filed with the Securities and Exchange Commission has become effective.

As a result the document containing the recommended offer is expected to be posted to all Howden shareholders on December 15.

The posting of the document is taking place later than originally envisaged and it has therefore been agreed that Howden will increase the proposed second interim dividend, which was announced on November 4, from 1.2p to 1.4p.

This will be paid if the offer becomes unconditional, and shareholders of Howden will be entitled to retain it whether or not they accept the offer.

### STERLING CREDIT

As part of the reorganisation of the Sterling Group, a minority interest amounting to 20 per *cent of the capital of Brianstar* was acquired on December 3.

The consideration was satisfied by the issue of 85,000 shares to Mrs S. T. Morrison, a director of Dewey Warren and Company, a cub of Sterling.

Brianstar carries on business of insurance broking.

## BIDS AND DEALS

# Tilling extends its offer for Berec

Thomas Tilling has extended its one-for-one share offer for Berec, announced on October 29. Tilling has received 4.4m Berec shares (6.59 per cent) so far and is now proposing to close the offer on December 31.

The share offer was worth £89m when first announced. Tilling's shares closed down 6p last night at 138p, increasing the value of the bid to £91.7m. Berec's shares closed down 1p at 153p.

Tilling's bid was agreed in October with the Berec board which welcomed it as an alternative to an offer from Hanson Trust, first announced on September 4. Having revised its original terms, Hanson is now offering 150p cash per Berec share or a paper alternative based on Hanson loan stock and worth just over 150p per share.

It was announced on Thursday that a proposed merger of Tilling and Berec would not be referred to the Monopolies Commission.

# Powell Duffryn buys U.S. company for £2.74m

Powell Duffryn, the industrial holding company, has reached agreement for the acquisition of *Allied Piping Products Group*, of Pennsylvania, U.S. for U.S.$5.1m (£2.74m) cash.

Allied Piping is a well established privately owned company manufacturing pipe fittings and connections for the heating and ventilating, fire protection, process and petro-chemical industries.

The acquisition includes Allied Piping Products' one-third equity interest in three affiliated companies which manufacture newly-developed products serving the same markets. Powell has an option to acquire the remaining two-thirds interests in the affiliates by 1986 on a price formula relating to the profit performance of the affiliates.

It is considered that there is considerable growth potential for Allied Piping's mainstream business and for the new products, and that this acquisition provides Powell with an opportunity to broaden its engineering operations in the U.S. in areas having some compatibility with the activities of Southwest Pipe and Supply Company of Arizona, acquired in 1979.

# C. Price agrees terms for part offer of Williams

C. Price and Son has agreed terms of a partial offer to be made by TCB on behalf of Price to acquire 51 per cent of the capital of W. Williams and Sons *(Holdings). The offer which* values the whole of Williams at about £850,000 will be 25p cash for each Williams' Ordinary share.

Although the offer will be made for 51 per cent of Williams, shareholders may accept the offer in respect of all or any part of their holdings. If, however, a shareholder accepts in full and certain other shareholders do not so accept, he will be left with under 49 per cent and possibly none of his original holding.

Acceptances have been received in respect of more than 51 per cent. Number of shares comprised in each acceptance for greater than 51 per cent of the individual shareholder will be scaled down to such a proportion as will result in Price acquiring a total of 51 per cent.

Price is a private company, based in Abergavenny and Derby with interests in property development and engineering. Profits after tax for the year ended December 31, 1980 were approximately £400,000. The directors of Price intend to develop the existing manufacturing operations of Williams and to return *them to profitability as soon as* practicable.

Directors of Williams and certain other shareholders have irrevocably undertaken to accept the offer in respect of the whole of their individual shareholdings in Williams, being 1,731,233 shares (50.9 per cent).

Directors of Williams have requested the Stock Exchange to lift the suspension of the listing of Williams' shares as from 9.30 am next Monday.

# Ranks £14m purchase from TKM has £1.2m asset base

DETAILS of the sale by Tozer Kemsley and Millbourn of its two travel companies, Owners Services and Wings, reveal that Rank Organisation is paying up to £14.5m for net tangible assets of £1.17m.

Total capital employed in TKM, adjusted for the sale, rises from £84.8m to £94.2m, but group net tangible assets drop slightly from £55.6m on a pro forma basis to £50.4m. The figures do not reflect the post-December balance sheet reconstruction of TKM Foods and McKee Industries.

TKM will use the proceeds of the sale, shareholders were told yesterday, "for working capital purposes." TKM's short term borrowings at October 30 were £121m. In the report and accounts to last December they were shown at £96.8m.

### TELEPHONE RENTALS

We have been asked to emphasise that the terms of the Press announcement released by Telephone Rentals on December 9 were as follows: "It has now been mutually agreed between Telephone Rentals Limited (TR) and General Telephone Systems Limited (GTS) that the acquisition by TR of GTS will not proceed."

### PRESTWICH PARKER

Mr Jeffrey Rubins, chairman of Prestwich Parker Holdings, has acquired the whole of the issued share capital of Butter Lane Nominees (Manchester), which own 115,000 Ordinary shares in Prestwich Parker, and is now beneficially interested in 620,000 ordinary shares of Prestwich Parker (18.3 per cent).

### GRAYSTON GROUP

Grayston Group, part of the British Electric Traction Company, has purchased from the receivers of Richards and Wallington, the plant hire group, the complete crawler crane and offshore division. No price was disclosed.

*The fleet purchased from the* receivers, Price Waterhouse, consists of forty three units including three Manitowoc 4100 machines, complete with ringer attachments, and other ancillery equipment. These cranes will be integrated into the existing Grayston Plant operation.

# Brooke Bond chairman reports satisfactory start to 1981/82

BY DUNCAN CAMPBELL-SMITH

*Brooke Bond Liebig Group*, the tea and food processing concern, is to become simply the Brooke Bond Group following shareholders' approval for the change of name at the annual general meeting held yesterday.

Sir John Cuckney, the chairman, said that results for the first four months of the current year had been satisfactory, but it was still too early to make predictions for the year as a whole.

*The Board opposed a special* resolution proposed by Mr John Tanner, chairman of the church-funded pressure group World Development Movement. The resolution expressed concern about workers' conditions on the *company's tea estates* in the Third World and called on the directors "to set an example . . . by paying wages above the agreed minimum."

The chairman said this would be "neither practicable nor *desirable." He praised the com*pany's record towards its workers and rejected a succession of detailed charges made from the floor. The resolution was defeated by 58.2m votes to 3.4m.

Among those shareholders *voting against the* resolution was the mineworkers' pension fund of the National Union of Mineworkers. The union supported a similar resolution last year, but yesterday requested the chairman to act as proxy for them.

Sir John stated that amenities and wage levels on the company's estates had been improved over the last year, despite adverse economic conditions in the tea industry.

These conditions, particularly low tea prices, continued to mean low returns on the capital employed in the estates by their owners.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Assoc. Sprayers | 0.75 | — | 0.75 | 1.25 | 1.25 |
| Baker Perkins ......int. | 2.1 | Feb. 8 | 2.1 | — | 5.1 |
| Bishop's Group ......int. | 1 | Jan. 23 | 2 | — | 4 |
| Eldridge Pope | 5.5 | — | — | 9.5 | 8.75 |
| Helical Bar ......int. | Nil | — | 1 | — | 2.75 |
| Hunslet (Holdings) | 7.5 | — | 5.6 | 7.5 | 5.6 |
| Johnson Firth Brown | —‡ | Dec. 21 | Nil | —‡ | 1.3 |
| Nth. British Steel | 1.49 | Mar. 1 | 1.36 | 2.2 | 2.02 |
| Phoenix Timber ......int. | Nil | — | 1 | — | 1 |
| Richards | 1.15 | Mar. 8 | 1.15 | 1.45 | 1.45 |
| Utd. Spring and Steel | 0.5 | Feb. 19 | 1.11 | 0.5 | 2.05 |
| Whittington Ests. ......int. | Nil | — | 0.5 | — | 0.5 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital *increased by rights and/or acquisition issues.* ‡ *Nominal* 1p per 1,000 shares to maintain trustee status.

### GRAND CENTRAL

Grand Central Investment Holdings' accounts for 1979 were delayed because of the circumstances related in the chairman's statement with those accounts and also in the anticipation that progress could be reported on the determination of the amount of compensation receivable by the company following the expropriation of its estates in Sri Lanka.

It now appears that there is no prospect of an early settlement and the directors therefore intend to proceed with the completion and audit of the 1980 accounts as soon as possible and to publish them before the end of March, 1982.

The unaudited financial operations in the UK for the year to December 31 1980 (excluding Johnson and Barnes) resulted in a loss before and after tax of £13,478.

In these circumstances the directors are unable to pay an interim dividend in respect of the year.

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

Indonesian businessman **Mr Faisol Hashim** was revealed as the holder of a 17.23 per cent stake in **London and Overseas Freighters**, following an unsuccessful raid on the company's shares. Stockbrokers acting for Leane Investment Corporation of Panama City and associates on behalf of Mr Hashim bought 2.09m shares at just over 50p per share, representing 3.7 per cent of the equity, and took the holding up to 9.69m shares. It is understood that the buying order was for up to 5 per cent of Lofs.

The attempt by **Lonrho** to take over **House of Fraser** was blocked by the Monopolies Commission. The Commission, which investigated the proposed takeover for nine months, concluded that the proposed merger might be expected to operate against the public interest. Mr Roland "Tiny" Rowland, chief executive of Lonrho, said that his group would continue to hold its near-30 per cent stake in House of Fraser.

**H. Brammer** acquired **Master Pumps and Equipment Corporation** of the U.S., a specialised pump distributors serving the Texan oil industry, for $10.1m (£5.2m).

**Brent Chemicals International** announced an agreed offer to purchase the **Reddish Chemical Company and Reddish Detergents** for £3m.

Merger proposals have been agreed between two property development concerns, **London Shop Property Trust** and **Beaumont Properties**. Terms of the merger, in which London Shop would take over Beaumont, are 10 London Shop shares for every nine Beaumont. News of the merger plan was accompanied by the disclosure that after final details had been agreed on Thursday London Shop was approached by Rosehaugh to call for a meeting to discuss a merger. London Shop was prepared to consider any specific proposals from Rosehaugh, but believed that a merger with Beaumont was more likely to be in the interests of shareholders. Rosehaugh has an option at 114½p over about 22 per cent of London Shop's shares; this largely represents the holding of McLeod Russel, which bought its stake last year.

Dealings in **Mothercare** were suspended on Thursday at 170p at the company's request pending an announcement. It was presumed that the company was poised to merge with Habitat, the home furnishings group, whose shares were also suspended, at 138p.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder |
|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | |
| Beaumont Props. | 138 | 128 | 112 | 21.79 | Lndn. Shop Prop. |
| Berec | 153½●§ | 153 | 94 | 87.20 | Hanson Trust |
| Berec | 138 | 153 | 116 | 92.13 | Tilling (T.) |
| Blantyre Tea§¶ | 90½*§ | 89 | 69 | 1.05 | Eastern Produce |
| Braham Millar | 30* | 25 | 23 | 3.77 | Fieldwood |
| Brown Bros. | 30* | 28½ | 25 | 4.26 | Dana Corp. |
| City Offices | 144 | 134 | 110 | 38.60 | Greycoat Estates |
| Elliott P'b'ro | 58 | 43 | 42 | 7.65 | Jenks & Cattell |
| Esperanza | 130*§ | 142 | 130 | 94.30 | Rothschild Invest. Trust |
| Grange Trust¶¶ | 146*§☆ | 156 | 127 | 9.84 | Courtaulds Pensn. Fund |
| Hallite Hldgs. | 200* | 202 | 195 | 4.80 | Gen. Tire & R. SA |
| Heron Motor Grp. | 28*§ | 30½ | 23 | 3.56 | Heron Corp. |
| Hiltons Footwr.¶¶ | 160* | 154 | 144†† | 9.82 | George Oliver (Footwear) |
| Hoveringham Group Ord. | 226* | 224 | 89†† | 24.28 | Tarmac |
| Hoveringham Group R.V. | 196* | 194 | 77†† | 15.80 | Tarmac |
| Howden (Alex.) | 161 | 141 | 142 | 146.43 | Alexander and Alexander Srvs. |
| Laganvale Ests. | 35 | 29 | 29 | 5.11 | Sturla Hldgs. |
| Pyramid (Pbshs.) | 60* | 57½ | 60†† | 1.20 | Starwest Inv. |
| Wassall (J. W.)¶¶ | 29* | 32 | 31 | 0.31 | Benson Shoe |
| Ward (T. W.) | 189● | 216 | 144 | 110.30 | RTZ |
| Williams (W.) | 25*‡ | 11†† | 11†† | 0.85 | Price (C.) |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on December 11 1981. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ☆ Minimum cash offer. ● Loan stock alternative.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| A'meües Trust | Oct | 97 | (85) | 7.9 | (6.9) | 7.6 | (6.9) |
| Avon Rubber | Oct | 762L | (840) | — | (6.2) | 3.0 | (5.0) |
| Baggeridge | Sept | 405 | (652) | 4.9 | (14.6) | 3.75 | (3.75) |
| Bass | Sept | 133,200 | (113,500) | 31.4 | (27.2) | 9.46 | (8.6) |
| Borthwick (Thos.) | Sept | 1,610L | (10,500)L | — | (—) | 0.01 | (0.01) |
| Brown (Matthew) | Oct | 5,040 | (4,050) | 18.5 | (15.3) | 6.35 | (5.69) |
| Burco Dean | Sept | 53 | (1,180)L | 0.4 | (11.0) | 1.0 | (—) |
| Caravans Intl. | Aug | 1,480L | (138) | 31.8 | (25.1) | — | (0.1) |
| Cnstructn. Hldgs. | Sept | 193 | (193) | 13.3 | (13.6) | 12.6 | (12.6) |
| Crystalate | Sept | 1,380 | (1,380) | 8.9 | (3.9) | 1.75 | (1.54) |
| Devenish (J. A.) | Oct | 1,890 | (1,538) | 35.1 | (22.4) | 8.5 | (7.5) |
| Fairline Boats | Sept | 37L | (314) | — | (4.0) | 1.0 | (3.5) |
| Fenner (J. H.) | Aug | 8,560 | (9,520) | 16.2 | (20.2) | 9.0 | (9.0) |
| Flexello | Sept | 657L | (85)L | 7.5 | (26.2) | — | (—) |
| Granada Group | Sept | 48,110 | (42,490) | 13.5 | (12.9) | 4.8 | (4.35) |
| Hawkins Tipson | Aug | 824L | (268) | 9.5 | (0.4) | 1.0 | (1.0) |
| Keystone Inv. | Oct | 1,000 | (1,100) | 11.5 | (12.3) | 10.6 | (10.5) |
| Lloyds & Scot. | Sept | 22,900 | (13,200) | 5.6 | (5.6) | 18.72 | (11.18) |
| MAM's | July | 2,030 | (2,860) | 13.7 | (31.3) | 8.75 | (8.75) |
| NSS Newsagents | Sept | 4,930 | (4,590) | 19.1 | (17.3) | 3.75 | (3.4) |
| R. H. Pollard | Oct | 749 | (11,020) | 1.4 | (27.8) | 4.0 | (5.46) |
| Saatchi Saatchi | | 3,620 | (3,010) | 18.8 | (14.7) | 6.0 | (4.79) |
| Trafalgar House | Sept | 55,000 | (49,070) | 20.4 | (12.7) | 6.2 | (5.35) |
| Westland Aircraft | Sept | 27,350 | (26,930) | 30.4 | (28.3) | 7.0 | (5.5) |
| Williams (John) | Sept | 1,270L | (670) | 15.8 | (6.6) | 1.0 | (2.85) |
| Whmptn & Dudley | Sept | 10,220 | (9,050) | 16.3 | (17.3) | 5.5 | (5.0)§ |

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| AAA | Sept | 140 | (131) | 1.07 | (1.07) |
| AB Engineering | Sept | 327 | (225) | 0.28 | (0.25) |
| Alxndr (Walter) | Sept | 1,270 | (1,540) | 1.75 | (1.75) |
| Alpine Soft Drnks. | Sept | 1,200 | (932) | 1.21 | (1.21) |
| Arlington Motors | Sept | 11 | (341) | 2.5 | (2.5) |
| Bankers Inv. Tst. | Oct | 1,130 | (1,200) | 0.65 | (0.6) |
| Bassett (Geo.) | Oct | 1,140 | (141) | 1.0 | (—) |
| Belhaven Brwy. | Sept | 187 | (221) | 0.91 | (1.54) |
| Birmingham Mint | Sept | 218 | (418) | 3.0 | (3.0) |
| Braithwaite & Co. | Sept | 401 | (410) | 3.0 | (3.0) |
| Bristol Evg. Post | Sept | 460 | (10)L | 4.0 | (3.25) |
| Brit. & Am. Films | June | 111 | (139) | 1.0 | (1.0) |
| Brit. Bldg. & Eng. | Sept | 57 | (148) | 0.5 | (1.0) |
| Brit. Tar Products | Sept | 535 | (253) | 0.53 | (0.53) |
| Brown (N.) Invs. | Aug | 1,020 | (605) | 2.0 | (1.0) |
| Brownlee | Sept | 452 | (912) | 0.7 | (0.7) |
| Bulmer (HP) Hds. | Oct | 3,990 | (2,820) | 2.94 | (2.66) |
| Butterfld.-Harvey | July | 948L | (524) | — | (—) |
| CH Industrials | Sept | 16 | (135) | 0.91 | (0.91) |
| Cable & Wireless | Sept | 45,580 | (27,250) | 1.3 | (1.3) |
| Caffyns | Sept | 92L | (131)L | 2.2 | (2.2) |
| Castings | Sept | 194 | (214) | 0.42 | (0.42) |
| Coalite Group | Sept | 7,200 | (7,350) | 1.43 | (1.36) |
| Cooper (Fred.) | July | 255L | (342) | 1.0 | (1.0) |
| Cray Electronics | Oct | 386 | (345) | 0.73 | (0.63) |
| Dyson (J. & J.) | Sept | 304 | (232) | 2.0 | (0.5) |
| Edbro Hldgs. | Sept | 1,100 | (1,300)L | 2.0 | (—) |
| Ellenroad Mill | Sept | 23L | (139)L | — | (—) |
| Evered & Co. | June | 202 | (245)L | — | (—) |
| FFI (UK Fin.) | Sept | 3,750 | (9,520) | — | (—) |
| Findlay Hardware | Oct | 311L | (166)L | — | (—) |
| Fuller S. & Trnr. | Oct | 969 | (493) | 3.0 | (2.33) |
| Globe Inv. Trust | Sept | 11,140 | (11,820) | 3.55 | (3.55) |
| Gordon & Gotch | Sept | 591 | (504) | 3.0 | (3.0) |
| G. B. Papers | Sept | 5L | (903)L | — | (—) |
| Gt. Unvrsal Strs. | Sept | 81,240 | (76,910) | 4.75 | (4.5) |
| Hazlewood Foods | Sept | 503 | (308) | 3.3 | (2.73) |
| Highgate & Job | Sept | 129L | (96)L | — | (—) |
| IC Gas | Sept | 1,100 | (936) | 3.0 | (2.7) |
| Illingwrth (Mrrs.) | Sept | 628 | (1,510)L | — | (—) |
| Initial Services | Sept | 11,010 | (8,930) | 3.25 | (2.75) |
| Intl. Timber | Sept | 1,540 | (1,950) | 2.0 | (2.0) |
| Maurice James | June | 242 | (238) | 0.5 | (—) |
| Kleen-e-ze Hldgs. | Oct | 64 | (233) | 1.5 | (1.5) |
| John J. Lees | Sept | 46 | (45) | 0.7 | (0.7) |
| LRC International | Sept | 3,830 | (3,420) | 0.7 | (0.7) |
| Linfood Hldgs. | Nov. | 5,570 | (4,540) | 5.0 | (3.5) |
| Lynton Hldgs. | Sept | 701 | (595) | 1.65 | (1.5) |
| Marling Inds. | Sept | 737 | (205) | 0.47 | (0.42) |
| Mitchell Somers | Oct | 854 | (127)L | 1.5 | (—) |
| Mntgue. L. Meyer | Sept | 567 | (3,080) | 1.25 | (1.75) |
| Monk (A.) | Aug | 758 | (501)L | 1.0 | (—) |
| Moorgate Inv. Tst. | Nov | 186 | (180) | 2.6 | (2.5) |
| Nesco Invests. | Sept | 3 | (292) | 5.0† | (5.0) |
| Newman Inds. | Sept | 1,310L | (293) | — | (—) |
| Pegler-Hattersley | Sept | 6,520 | (3,830) | 4.0 | (4.0) |
| Preedy (A.) Sons | Sept | 214L | (344)L | 0.75 | (0.75) |
| Regalian Props. | Sept | 130 | (104) | — | (—) |
| Rolfe & Nolan | Aug | 110 | (51) | — | (—) |
| Sekers Intnl. | Sept | 8 | (68)L | 0.2 | (—) |
| Shaw Carpets | Oct | 782L | (286) | — | (0.5) |
| Sheffield Houses | Sept | 99 | (81) | 0.7 | (0.7) |
| Smith & Nephew | Oct | 20,070‡ | (16,680)‡ | — | (—) |
| Sotheby Parke | Aug | 7,040 | (8,030) | 12.5 | (12.5) |
| Sumrie Clothes | Sept | 137L | (178)L | — | (—) |
| Toothill | Sept | 168 | (21)L | 3.0 | (3.5) |
| Twn. & Cty. Prps. | Sept | 3,930L | (7,760)L | — | (—) |
| Tranwood Group | July | 55 | (11) | — | (—) |
| UKO Intnl. | Sept | 48 | (1,110) | — | (2.0) |
| Wagon Ind. | Sept | 881 | (1,530) | 2.0 | (2.0) |
| Ward & Goldstone | Sept | 1,390 | (78) | 1.0 | (0.9) |
| Woodhd. (Jonas) | Sept | 1,400L | (610)L | — | (—) |

(Dividends in parentheses are for the corresponding period.)

* Dividends shown net except where otherwise stated. † Already declared. ‡ For 40 weeks. § Equivalent after allowing for scrip issue. L Loss.

## Scrip Issues

Keystone Investment Company—One for 10.
Cray Electronics—One for one.
Saatchi and Saatchi—One for four.

## Offers for sale, placings and introductions

Cussons Property Group—Is placing 1.4m ordinary 20p shares at 82p and seeking a Stock Exchange listing.
Hardanger Properties—Is placing 1.55m ordinary 10p shares at 100p and coming to the Unlisted Securities Market.
Banco Urquijo—Private placement and dealings under Stock Exchange Rule 163 (1) (e).
Newmarket Company (1981)—Is raising £20m through an offer for sale of 6.5m shares at $5.90 (£3.05) each.
Baillie Gifford Japan Trust—Is raising £10m through the issue of 10m shares (with warrants attached) at 100p.
Speyhawk—Will be raising about £2.6m with a placing followed by a USM quote.

## Rights Issues

Matthew Brown and Co.—One for five at 142p to raise £4.65m.
Wearwell—One for two at 50p to raise £5.2m.

## EUROPEAN OPTIONS EXCHANGE

| Series | Feb. Vol. | Feb. Last | May Vol. | May Last | Aug. Vol. | Aug. Last | Stock |
|---|---|---|---|---|---|---|---|
| GOLD C $375 | — | — | — | — | 50 | 69 | $410.50 |
| GOLD C $400 | 5 | 27.50 | — | — | 100 | 53 | " |
| GOLD C $425 | 23 | 15 | 5 | 30 | 50 | 39 | " |
| GOLD C $450 | 34 | 7 | — | — | — | — | " |
| GOLD C $475 | 3 | 3.50 | — | — | — | — | " |
| GOLD P $375 | — | — | 4 | 10.50 | — | — | " |
| GOLD P $400 | 2 | 14 | 4 | 17.50 | — | — | " |
| GOLD P $425 | 1 | 25 | 4 | 30 | 10 | 28 | " |
| 12¾ NL 81 87-91 | | | | | | | |
| C F.102.50 | 50 | 3.40 | — | — | — | — | F.105.80 |
| C F.105 | 300 | 2 | — | — | — | — | " |
| C F.107.50 | 30 | 0.70 | — | — | 94 | 1.60 | " |
| P F.107.50 | 4 | 2.50 | — | — | — | — | " |
| 12 NL 81 85-88 | | | | | | | |
| C F.102.50 | — | — | 10 | 1.40 | 1 | 2 | F.102 |
| 10¾ NL 80 85-95 | | | | | | | |
| C F.95 | — | — | 10 | 3 | — | — | F.96 |
| C F.97.50 | — | — | — | — | 1 | 2.20 | " |
| P F.92.50 | 25 | 0.30 | — | — | 10 | 1 | " |
| P F.95.00 | — | — | — | — | 30 | 2 | " |
| P F.7.50 | — | — | 25 | 2.20 | — | — | " |
| | Jan. | | April | | July | | |
| ABN C F.280 | — | — | 1 | 20 | — | — | F.285.50 |
| ABN C F.300 | 5 | 3.50 | 2 | 8 | — | — | " |
| ABN C F.320 | 18 | 0.40 | — | 7 | — | — | " |
| AKZO C F.22.50 | 15 | 0.90 | — | — | — | — | F.22.70 |
| AKZO C F.25 | 2 | 0.40 | 41 | 1.20 | 10 | 1.80 | " |
| AKZO C F.27.50 | — | — | 53 | 0.50 | — | — | " |
| AKZO C F.22.50 | 15 | 2.20 | — | — | — | — | " |
| AMRO C F.55 | — | — | 3 | 2.50 | 5 | 2.60 | F.53.50 |
| HEIN C F.45 | 15 | 3.60 | 7 | 4.50 | — | — | F.47.60 |
| HEIN C F.50 | — | — | 8 | 2 | 1 | 2.50 | " |
| HEIN P F.45 | — | — | 25 | 1.70 | — | — | " |
| HOOG C F.15 | 40 | 2 | 24 | 2.50 | — | — | F.16.40 |
| HOOG C F.17.50 | 50 | 0.80 | 1 | 1.40 | — | — | " |
| HOOG P F.15 | — | — | — | — | 10 | 1.20 | " |
| HOOG P F.17.50 | 3 | 1.30 | — | — | — | — | " |
| IBM C $60 | — | — | 1 | 1⅛ | — | — | $55 |
| KLM C F.90 | 26 | 10.50 | 1 | 17.50 | — | — | F98.60 |
| KLM C F.100 | 28 | 5 | 6 | 10.40 | 2 | 14.50 | " |
| KLM C F.110 | 46 | 2.10 A | 15 | 6.80 | — | — | " |
| KLM C F.120 | 1 | 1.10 | 4 | 4.40 | — | — | " |
| KLM C F.130 | 10 | 0.50 | — | — | — | — | " |
| KLM P F.80 | 5 | 0.40 A | — | — | — | — | " |
| KLM P F.90 | 49 | 1.30 | 12 | 3.20 | — | — | " |
| KLM P F.100 | 44 | 5 | 19 | 7.70 B | — | — | |
| KLM P F.110 | 5 | 12 | — | — | — | — | |
| NEDL C F.140 | 10 | 6 | — | — | — | — | F.144.50 |
| NEDL C F.150 | 11 | 2 | 1 | 7 | 6 | 8.50 | " |
| NEDL P F.130 | — | — | 2 | 1.40 | — | — | " |
| NEDL P F.140 | 60 | 1.30 B | 10 | 2.70 | — | — | " |
| NATN C F.115 | — | — | 4 | 2.30 | — | — | F.112.30 |
| NATN C F.120 | 2 | 0.20 | — | — | — | — | " |
| NATN P F.110 | 5 | 1.50 | — | — | — | — | " |
| PETR C Fr.3500 | — | — | — | — | 1 | 1220 | Fr.4140 |
| PETR C Fr.4000 | — | — | 1 | 600 | — | — | " |
| PETR C F.4500 | — | — | 1 | 220 | — | — | " |
| PHIL C F.20 | 240 | 0.70 | 15 | 1.80 | 46 | 2.10 | F.20.20 |
| PHIL C F.22.50 | 4 | 0.20 | 15 | 0.80 | 86 | 1 | " |
| PHIL C F.25 | — | — | 112 | 0.40 | — | — | " |
| PHIL P F.20 | 32 | 0.50 | 25 | 1 | — | — | " |
| PHIL P F.22.50 | 20 | 2.30 | — | — | 5 | 2.70 | " |
| POLA C $20 | — | — | 9 | 2⅜ | — | — | $21⅜ |
| POLA C F.25 | — | — | — | — | 9 | 1½ | |
| RD C F.80 | 74 | 11.50 | 10 | 14.20 B | — | — | F.90.90 |
| RD C F.90 | 97 | 3.70 | 50 | 8 | 4 | 8.60 B | " |
| RD C F.100 | 70 | 0.90 | 32 | 3.50 | — | — | " |
| RD P F.80 | 4 | 0.40 | 6 | 1.60 | — | — | " |
| RD P F.90 | 94 | 2.20 | 10 | 4 | 1 | 6 | " |
| RD P F.100 | — | — | 7 | 9.80 | — | — | " |
| UNIL C F.150 | 34 | 4.10 | 31 | 9.50 | — | — | F.151.50 |
| UNIL C F.160 | 83 | 1A | 10 | 4.10 | — | — | " |
| UNIL P F.140 | 1 | 0.50 | — | — | — | — | " |
| | Feb. | | May | | Aug. | | |
| SIEM C DM.220 | 10 | 3.50 | — | — | — | — | DM208.20 |
| SLUM C $60 | — | — | 1 | 4¾ | — | — | $59⅛ |
| SLUM C $70 | 4 | ½ | — | — | — | — | " |
| VW C DM.150 | 5 | 1 | — | — | — | — | DM155 |

TOTAL VOLUME IN CONTRACTS: 2931

A=Asked B=Bid C=Call P=Put

## Improved second half puts Richards in black

SECOND HALF pre-tax profits of Richards, textile manufacturer were £70,000 and enabled the group to wipe out its first half losses of £61,000. The previous year's profits were £256,000, with £86,000 coming in the second half. Group turnover for the year to September 30, 1981 was down from £11.2m to £9.86m.

Mr A. R. Robertson, the chairman, says the accounts will show that the improvement in results is not attributable to a better trading performance, but rather to items such as investment income and interest relief grants.

For some time the board has said that it would be well into 1982 before there would be any sustained improvement in the economy, and Mr Robertson feels it would be unwise to predict more than a break-even situation for the coming year.

The final dividend is unchanged at 1.15p, for a same-again total of 1.45p.

There was a tax credit of £302,000 (£134,000 charge), leaving attributable profits up from £122,000 to £311,000. Stated earnings per 10p share improved from 0.99p to 2.56p.

Due to the continuing delays in the re-commissioning of the dyehouse, the directors have decided to write-off an additional £100,000 by way of depreciation. As the whole question of the dyehouse is still the subject of litigation, it would be improper, says Mr Robertson, for him to make further comment at the moment.

Despite the continuing difficulties, he says his confidence in the company is as strong as ever, and barring unforeseen circumstances, it is hoped to maintain the dividend in 1982.

THE TRING HALL
USM INDEX
116.4 (−0.3)
close of business 11/12/81
BASE DATE 10/11/80 100
Tel: 01-638 1591

CORAL INDEX
Close 516-521 (−9)

## Newmarket offer is oversubscribed

The offer of 6.5m shares of Newmarket Company (1981) has attracted applications for 8.7m shares, of which firm applications in advance for 3.25m shares were accepted in full. The balance available to the public has been allocated as follows:—

Applications for up to 300 shares have been allotted in full; applications for 400 to 2,500 shares are being allotted about 70 per cent of the amount applied for, with a minimum of 300 shares; applications for 3,000 to 10,000 shares are being allotted about 60 per cent; and applications for more than 10,000 shares are receiving about 49 per cent with a minimum of 6,000 shares.

Dealings begin on December 16.

## Warning from Kunick chairman

In a letter to shareholders, Mr R. W. Aitken, chairman of Kunick Holdings, fashionwear concern, says that because of delays in finalising the liquidation of subsidiaries, it has not been practicable to produce accounts for the group as a whole for the May 31 1981 year.

Indications are that results of the liquidation of the subsidiaries will exceed worst expectations, he states, and that in all probability the group as a whole will have a deficiency so far as the shareholders are concerned.

He says he is considering the possibility of Mr Chatalos, the managing director, loaning the company money so a settlement can be achieved with its creditors which would then enable him to consider whether it would be possible to find a company which Kunick could then acquire "to give the shareholders some hope for the future."

There is an AGM at Winchester House, EC, on December 31, at 11 am.

### SPAIN

| December 11 | Price % | + or − |
|---|---|---|
| Banco Bilbao | 331 | |
| Banco Central | 326 | |
| Banco Exterior | 303 | |
| Banco Hispano | 325 | |
| Banco Ind. Cat. | 115 | |
| Banco Santander | 352 | |
| Banco Urquijo | 216 | |
| Banco Vizcaya | 348 | |
| Banco Zaragoza | 212 | |
| Dragados | 135 | |
| Espanola Zinc | 62 | |
| Fecsa | 65 | −1 |
| Gal. Preciados | 40 | |
| Hidrola | 76 | −0.2 |
| Iberduero | 56.7 | +0.5 |
| Petroleos | 91.7 | +1.7 |
| Petroliber | 101 | +3 |
| Sogefisa | 40 | |
| Telefonica | 72 | −1 |
| Union Elect. | 72.5 | −0.5 |



## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 14½% | ■ Guinness Mahon | 14½% |
| Allied Irish Bank | 14½% | ■ Hambros Bank | 14½% |
| American Express Bk. | 14½% | Heritable & Gen. Trust | 14½% |
| Amro Bank | 14½% | ■ Hill Samuel | §14½% |
| Henry Ansbacher | 14½% | C. Hoare & Co. | †14½% |
| Arbuthnot Latham | 14½% | Hongkong & Shanghai | 14½% |
| Associates Cap. Corp. | 15 % | Knowsley & Co. Ltd. | 15 % |
| Banco de Bilbao | 14½% | Lloyds Bank | 14½% |
| BCCI | 14½% | Mallinhall Limited | 14½% |
| Bank Hapoalim BM | 14½% | Edward Manson & Co. | 15½% |
| Bank of Cyprus | 14½% | Midland Bank | 14½% |
| Bank Street Sec. Ltd. | 16 % | ■ Samuel Montagu | 14½% |
| Bank of N.S.W. | 14½% | ■ Morgan Grenfell | 14½% |
| Banque Belge Ltd. | 14½% | National Westminster | 14½% |
| Banque du Rhone et de la Tamise S.A. | 15 % | Norwich General Trust | 14½% |
| Barclays Bank | 14½% | P. S. Refson & Co. | 14½% |
| Beneficial Trust Ltd. | 15½% | Roxburghe Guarantee | 15 % |
| Bremar Holdings Ltd. | 15½% | E. S. Schwab | 14½% |
| Bristol & West Invest. | 16 % | Slavenburg's Bank | 14½% |
| Brit. Bank of Mid. East | 14½% | Standard Chartered | ‖14½% |
| ■ Brown Shipley | 15 % | Trade Dev. Bank | 14½% |
| Canada Perm't Trust | 15 % | Trustee Savings Bank | 14½% |
| Cavendish G'ty T'st Ltd. | 15½% | TCB Ltd. | 14½% |
| Cayzer Ltd. | 15 % | United Bank of Kuwait | 14½% |
| Cedar Holdings | 15 % | Whiteaway Laidlaw | 15 % |
| ■ Charterhouse Japhet | 15 % | Williams & Glyn's | 14½% |
| Choulartons | 15½% | Wintrust Secs. Ltd. | 14½% |
| Citibank Savings | ‖15 % | Yorkshire Bank | 14½% |
| Clydesdale Bank | 14½% | | |
| C. E. Coates | 15 % | | |
| Consolidated Credits | 15 % | | |
| Co-operative Bank | *14½% | | |
| Corinthian Secs. | 14½% | | |
| The Cyprus Popular Bk. | 14½% | | |
| Duncan Lawrie | 14½% | | |
| Eagil Trust | 14½% | | |
| E.T. Trust | 15 % | | |
| First Nat. Fin. Corp. | 17 % | | |
| First Nat. Secs. Ltd. | 17 % | | |
| Robert Fraser | 15 % | | |
| Grindlays Bank | ‡14½% | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 12.50%, 1-month 12.75%. Short term £8,000/12 months 15.10%.
† 7-day deposits on sums of £10,000 and under 12½%, up to £50,000 13% and over £50,000 13½%.
‡ Call deposits £1,000 and over 12½%.
§ Demand deposits 12½%.
‖ 21-day deposits over £1,000 13½%.
¶ Mortgage base rate.

# WORLD STOCK MARKETS

## Early drifting on Wall Street

STOCKS DRIFTED lower on Wall Street yesterday when takeover stocks, rumoured or *actual, provided the only* excitement.

By 1 pm the Dow Jones Industrial Average was off 1.24 to 890.79, making a net loss of 1.90 on the week, while the NYSE All Common Index, at $72.63, shed 21 cents on the day and 61 cents on the week. Declines led advances by a seven-to-five majority in a volume of 33.99m shares.

Analysts attributed the lack of movement in the market to forecasts that the Weekly Money Supply figures to be released after the close, will be up sharply. Such a gain could lead to credit tightening by the Federal Reserve, putting renewed upward pressure on interest rates.

Investors are also watching the Bond Market, which is slipping amid concerns that the Federal Funds rate, on Overnight Loans between banks, is holding firm above 12 per cent.

The battle for Marathon Oil was still the main event in the Stock Market. Yesterday a Federal Appeals Court said it would hold hearings December 17 on Mobil's Appeal of Rulings forbidding its acquisition of Marathon stock. Marathon gained $5½ to $92¼, while mobil shed *$¼ to $25½ and U.S. Steel, Marathon's* other suitor, eased $½ to $32¼.

Cities Service, a popular subject of takeover speculation, moved up $2⅜ to $51½ in active trading.

Four-Phase Systems soared $7½ to $40, while Motorola fell $4⅜ to $60⅜ on the news that Motorola will acquire Four-Phase for $250m.

Colonial Penn declined $1½ to $16⅜ — it expects 1981 earnings to be adversely affected due to more claims than expected on the Health Insurance carried on retired people.

**Closing prices for North America were not available for this edition.**

Fuqua Industries lost $1⅜ to $20½ — it said some 9m shares were tendered in response to its "Buy Back" offer, leaving only some 3m shares outstanding.

THE AMERICAN SE Market Value Index dipped 2.50 to 323.53 making a loss of 6.59 on the week. Volume 3.15m shares.

### Canada

A mixed trend prevailed around noon yesterday, with the Toronto Composite Index off 2.1 to 1960.1.

The Oil and Gas Index lost 28.5 to 3788.8 and Banks shed 0.11 to 347.75, but Golds put on 11.0 to 3107.9. Metals and Minerals 3.9 to 1833.6 and Papers 2.42 to 185.98.

Texaco Canada, an active stock, declined $1½ to $36⅜—investors are continuing to speculate on whether Texaco Inc will make an offer for the Common shares.

Mascan Corp resumed trading, unchanged at $8, following the news that S. B. McLaughlin was *ordered by the Courts to make a* follow up offer to Ontario shareholders.

### Tokyo

Easier on balance in featureless trading. The Official Discount rate cut, announced Thursday but effective yesterday, had little impact on the Stock Market. Volume 300m (320m) shares.

Light Electricals, Drugs, Steels and Shipbuilders eased slightly, while Precisions, Housings and Constructions were mixed. Only Electric Powers responded to the 0.75 percentage point Discount rate cut to 5.5 per cent.

Companies engaged in the development of new materials, like Ceramics as well as Textiles, attracted attention.

Kyoto Ceramic, which has been developing ceramic engines, rose Y160 to Y3.500.

Communications were lower, *stung by news reports out of* Washington on moves in Congress to restrict imports of Communications equipment.

Japanese Government Bond prices were firmer.

### Germany

Most leading shares closed mixed in quiet pre-weekend markets, lacking the stimulus of Foreign buying interest.

In Motors, VW firmed DM 0.40 after falling sharply Thursday on news of a drop in nine month profits.

*Domestic Bonds were quiet.* Public Authority Loans closed with losses averaging DM 0.20. The Bundesbank bought DM 9.4m of stock.

Dealers attributed the weak market to price falls on the New York market and persistent concern about West Germany's *Public Sector deficit.*

Mark Eurobonds were quiet, although dealers reported strong demand for the two new issues, the DM 300m 9¾ per cent Australia offering and the DM 100m 9⅞ per cent National Westminster Bank Bond, both regarded as prime names on German markets.

### Hong Kong

Stocks closed off their highs as general selling emerged in the afternoon.

The market firmed initially, but then eased on the weakness of the Hong Kong dollar and also as expectations of a further cut in local interest rates diminished. Trading was subdued.

### Australia

Oil and Gas explorers headed buoyant markets, which were supported by the oil shows in the Mt. Winter No. 1 well in the Amadeus Basin, while partners in the Cooper Basin's Jackson No. 1 well, which flowed oil early this week, continued to attract support.

Mt. Winter operator, Pancontinental Petroleum, rose 12 cents to 52 cents while Moonie Oil gained 20 cents to $A2.30.

*Pancontinental also reported* further gas from the Dingo No. 1 well, in an adjacent permit, and well partner Magellan put on 80 cents to $A5.

Of the Jackson discovery stocks, CSR firmed 8 cents to $A4.03, Claremont were 19 cents up at $1.65 after sales at $A1.72, Santos put on 20 cents to $A6.70, Oilco added 3 cents at 50 cents and Vamgas moved up 30 cents to $A11.60.

### Paris

Mixed in quiet trading as *sentiment was slightly* depressed by the rise in Call Money to 15¼ per cent from 15⅛ per cent.

"Monory Law" buying continued ahead of the end of the tax year but was insufficient to raise prices. The estimated fall in French inflation to 0.9 per *cent in November from 1.2 per* cent in October had no effect on prices.

In easier Electricals, Thomson-CSF eased FFr 1 to 185 after announcing Thursday it signed a FFr 1.87bn contract to supply equipment *for the* Soviet Union's Siberian gas pipeline.

In easier Oils, Elf fell FFr 22 to 796 after chairman Albin Chalandon said the company's refining activities will make a FFr 7bn operating loss this year.

Novotel on its first day of trading was quoted at FFr 1,020.

Foods, Metals and Chemicals were mixed, Banks were easier, while Stores were slightly *higher.*

Americans, Oils and Coppers were mixed, Germans were easier, while Gold Mines were firm.

### Singapore

Share prices closed slightly lower on profit-taking in selec*tive active trading.*

Hotels, Properties, Commodities and the "second trading" section were also lower.

### Milan

Mixed but with a firmer undertone in fairly active trading.

Montedison fell L14.5 to L187.5 *on selling* and an unexpected lack of Institutional support ahead of its Rights issue next week.

## Indices

### NEW YORK —DOW JONES

| | Dec. 10 | Dec. 9 | Dec. 8 | Dec. 7 | Dec. 4 | Dec. 3 | 1981 High | 1981 Low | Since Cmpil't'n High | Since Cmpil't'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| ◆Industr'ls. | 892.03 | 888.22 | 881.76 | 886.99 | 882.69 | 885.85 | 1024.05 (27/4) | 824.01 (25/9) | 1051.70 (11/1/73) | 41.22 (2/7/32) |
| H'me Bnds. | 59.06 | 59.65 | 59.81 | 60.05 | 60.39 | 59.99 | 65.76 (16/1) | 54.99 (1/10) | — | — |
| Transport.. | 395.24 | 394.00 | 393.17 | 393.45 | 395.05 | 391.66 | 447.38 (16/4) | 355.48 (25/9) | 447.38 (16/4/81) | 12.23 (8/7/32) |
| Utilities ..... | 112.28 | 112.59 | 112.15 | 111.91 | 112.92 | 112.24 | 117.81 (5/1) | 101.28 (28/9) | 163.32 (20/4/69) | 10.5 (28/4/42) |
| TradingVol 000's | 47,020 | 44,810 | 46,140 | 45,720 | 55,040 | 43 770 | — | — | — | — |

◆Day's high 897.74. low 885.18.

| Ind. div. yield % | Dec. 4 | Nov. 27 | Nov. 20 | Year ago (approx) |
|---|---|---|---|---|
| | 6.21 | 6.25 | 6.51 | 5.70 |

### STANDARD AND POORS

| | Dec. 10 | Dec. 9 | Dec. 8 | Dec. 7 | Dec. 4 | Dec. 3 | 1981 High | 1981 Low | Since Cmpil't'n High | Since Cmpil't'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Indust'ls... | 140.51 | 140.20 | 139.29 | 139.76 | 140.99 | 139.66 | 157.02 (6/1) | 128.49 (24/9) | 160.96 (28/11/80) | 3.52 (30/6/32) |
| Composite | 125.71 | 125.48 | 124.82 | 125.19 | 126.26 | 125.12 | 138.12 (6/1) | 115.01 (24/9) | 140.52 (28/11/80) | 4.402 (1/6/32) |

| | Dec. 9 | Dec. 2 | Nov. 25 | Year ago (approx) |
|---|---|---|---|---|
| Ind. div. yield % | 5.16 | 5.20 | 5.24 | 4.61 |
| Ind. P/E Ratio | 8.45 | 8.38 | -- | 9.05 |
| Long Gov. Bond yield | 13.19 | 12.84 | 12.28 | 12.68 |

### NY. S.E. ALL COMMON

| Dec. 10 | Dec. 9 | Dec. 8 | Dec. 7 | 1981 High | 1981 Low |
|---|---|---|---|---|---|
| 72.84 | 73.09 | 72.36 | 72.65 | 79.14 (16/1) | 64.96 (25/9) |

| Rises and Falls | Dec. 10 | Dec. 9 | Dec. 8 |
|---|---|---|---|
| Issues Traded... | 1,961 | 1,883 | 1,951 |
| Rises | 755 | 684 | 466 |
| Falls | 737 | 718 | 1,052 |
| Unchanged | 469 | 481 | 433 |
| New Highs | 16 | 14 | 6 |
| New Lows | 18 | 19 | 15 |

| MONTREAL | Dec. 10 | Dec. 9 | Dec. 8 | Dec. 7 | 1981 High | 1981 Low |
|---|---|---|---|---|---|---|
| Industrials | 338.30 | 337.95 | 338.54 | 340.26 | 409.98 (27/6) | 310.21 (25/9) |
| Combined | 319.77 | 318.86 | 318.41 | 321.65 | 373.28 (13/8) | 295.37 (25/9) |
| TORONTO Composite | 1962.2 | 1959.1 | 1,951.7 | 1,979.2 | 2476.4 (10/4) | 1812.48 (25/9) |

| | Dec. 11 | Dec. 10 | Dec. 9 | Dec. 8 | 1981 High | 1981 Low |
|---|---|---|---|---|---|---|
| **AUSTRALIA** | | | | | | |
| All Ord. (1/1/80) | 604.7 | 600.3 | 601.9 | 610.6 | 737.3 (6/4) | 545.8 (29/10) |
| Metal & Minrls (1/1/80) | 439.8 | 457.1 | 443.3 | 457.0 | 765.2 (7/1) | 404.5 (20/11) |
| **AUSTRIA** | | | | | | |
| Credit Aktien (2/1/62) | 55.45 | 55.35 | 55.04 | (c) | 59.45 (5/1) | 53.64 (13/10) |
| **BELGIUM** | | | | | | |
| Belgian SE (31/12/63) | 75.51 | 75.99 | 72.88 | 72.88 | 88.15 (17/2) | 69.53 (16/6) |
| **DENMARK** | | | | | | |
| Copenhagen SE (1/1/73) | 120.69 | (u) | 120.17 | 120.69 | 121.11 (19/11) | 95.88 (2/1) |
| **FRANCE** | | | | | | |
| CAC General (29/12/61) | (u) | 91.7 | 92.1 | 92.10 | 112.5 (17/3) | 77.3 (16/6) |
| Ind Tendance (31/12/80) | 98.6 | 98.8 | 99.2 | 99.70 | 108.3 (10/9) | 79.2 (12/6) |
| **GERMANY** | | | | | | |
| FAZ-Aktien (31/12/58) | 226.78 | 227.97 | 227.47 | 229.01 | 245.47 (5/7) | 215.88 (3/2) |
| Commerzbank(Dec1953) | 692.70 | 693.2 | 696.0 | 700.20 | 749.8 (5/7) | 666.4 (16/2) |
| **HOLLAND** | | | | | | |
| ANP-CBS General (1970) | 88.2 | 86.4 | 66.0 | 66.50 | 96.8 (20.8) | 76.5 (28.9) |
| ANP-CBS Indust (1970) | 62.9 | 63.2 | 63.2 | 63.40 | 76.4 (22/6) | 61.5 (30/10) |
| **HONG KONG** | | | | | | |
| Hang Seng Bank (31/7/64) | 1413.19 | 1412.99 | 1403.66 | 1414.71 | 1810.20 (17/7) | 1113.77 (5/10) |
| **ITALY** | | | | | | |
| Banca Comm Ital (1972) | 192.30 | 190.65 | 193.66 | (c) | 292.05 (5/6) | 166.44 (24/7) |
| **JAPAN**** | | | | | | |
| Dow Average (16/5/49) | 7730.88 | 7746.91 | 7743.12 | 7752.43 | 8019.14 (17/8) | 6956.62 (13/3) |
| Tokyo New SE (4/1/68) | 668.05 | 667.97 | 667.65 | 671.52 | 603.92 (17/8) | 495.79 (5/1) |
| **NORWAY** | | | | | | |
| Oslo SE (1/1/72) | 129.76 | 128.25 | 128.47 | 129.42 | 145.72 (8/8) | 110.34 (3/6) |
| **SINGAPORE** | | | | | | |
| Straits Times (1966) | 769.81 | 776.08 | 768.76 | 769.25 | 973.28 (26/6) | 816.26 (1/8) |
| **SOUTH AFRICA** | | | | | | |
| Gold (1958) | — | 601.4 | 606.3 | 610.6 | 797.6 (7/1) | 476.8 (3/7) |
| Industrial (1958) | — | 698.1 | 696.3 | 695.8 | 709.4 (21/10) | 557.2 (3/2) |
| **SPAIN** | | | | | | |
| Madrid SE (30/12/80) | 125.74 | 123.94 | 124.23 | (c) | 148.15 (8/9) | 100.46 (2/1) |
| **SWEDEN** | | | | | | |
| Jacobson & P. (1/1/58) | 628.37 | 625.30 | 650.83 | 636.74 | 690.31 (10/8) | 404.17 (20/1) |
| **SWITZERLAND** | | | | | | |
| SwissBankCpn. (31/12/58) | 265.7 | 265.4 | 261.1 | 261.78 | 304.2 (2/4) | 242.3 (17/11) |
| **WORLD** | | | | | | |
| Capital Intl. (1/1/70) | — | 148.0 | 148.8 | 149.3 | 162.8 (6/1) | 135.8 (28/9) |

(**) Sat. Dec. 5: Japan Dow 7759.31. TSE 671.95.

Base values of all indices are 100 except Australia All Ordinary and Metals—500: NYSE All Common—50: Standard and Poors—10: and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

### NEW YORK ACTIVE STOCKS

| Thursday | Stocks traded | Closing price | Change on day | | Stocks traded | Closing price | Change on day |
|---|---|---|---|---|---|---|---|
| U.S. Steel | 957,800 | 32¾ | +2⅞ | Exxon | 501,800 | 31¼ | — |
| IBM | 752,700 | 54⅞ | + ¼ | Xerox | 424,800 | 29⅞ | + ¼ |
| Black & Decker | 594,200 | 15 | + ½ | Amax | 414,500 | 52¾ | −1¼ |
| Mobil | 538,200 | 25⅞ | − ½ | General Motors | 414,300 | 38¾ | + ¼ |
| Pennzoil | 504,300 | 53 | −2 | Schlumberger | 406,700 | 58⅞ | + ¾ |

# Imasco buys U.S. fast food business

By Robert Gibbens in Montreal

IMASCO. Canada's largest tobacco products manufacturer which has diversified into retailing, is increasing its commitment to the fast food business in the U.S. Imasco is just under 50 per cent-owned by BAT of the UK.

Imasco's wholly-owned subsidiary Hardee's Food Systems, plans to buy Burger Chef Systems of Indianapolis from General Foods for US$44m. Burger Chef operates 679 fast food outlets, of which 420 are franchised and 259 are company-owned in Indiana, St. Louis, Cincinnati and Detroit.

These areas are complementary to the south-eastern region where Hardee's 1,395 outlets are located. In the six months ended September, Hardee's revenues were C$326m (US$270m). Average sales volume was up 11 per cent from a year earlier, and operating profits were C$28.4m, says Imasco's half-year report.

Imasco owns a chain of 30 drugstores in Florida and depending on progress there, plans a major U.S. expansion in this form of retailing. It already owns a national chain of drugstores in Canada, plus a sizable group of food products companies. Its strategy is to use continued steady growth and profitability of tobacco products as a base for more diversification.

## Estel-Hoesch recovers

Estel-Hoesch, the West German arm of the Dutch-German Estel group, may break even in early 1982, Reuter reports from Bonn. The company said yesterday that losses in the current year may exceed those of 1980, when the German side of Estel accounted for about two thirds of the group's Fl 488m ($200m) net loss.

Two other West German steel majors, Krupp Stahl and Salzgitter, with which Hoesch is seeking co-operation, recently forecast that they will start to break even next year.



# Breathing space for Mobil in Marathon Oil bid battle

BY PAUL BETTS IN NEW YORK

A FEDERAL appeals court gave Mobil a major break yesterday in its efforts to take over Marathon Oil by delaying U.S. Steel's rival bid. U.S. Steel had looked set to walk off with Marathon early next week, but the appeals court decision, which bars U.S. steel from buying Marathon shares until five business days after it hears two appeals by Mobil, has now given the oil company a last minute reprieve and raise its hopes again.

Mobil is appealing the decision of a Columbus, Ohio judge rejecting its request for a preliminary injunction to block U.S. Steel's offer on the grounds that Marathon has granted the steelmaker illegal options, including, in particular one to buy Marathon's 49 per cent stake in the Yates field in Texas for $2.8bn in the event of U.S. Steel losing the takeover battle. The Yates field is Marathon's most valuable asset and is the second largest oil field in the U.S. after Prudhoe Bay in Alaska.

Mobil's second appeal relates to the decision of another federal judge barring Mobil from acquiring Marathon on anti-trust grounds.

The appeals court decision has come just in time for Mobil. U.S. Steel reported this week it had been tendered 90 per cent of Marathon shares under its $125 a share offer for 51 per cent of Marathon, to be followed by an exchange of notes valued at $86 a share for the remaining Marathon shares. Until yesterday's decision, U.S. Steel would have been able to start buying Marathon shares from midnight on Monday.

Mobil, which is offering $6.5bn for Marathon, including $126 a share for 51 per cent of Marathon, has been bedevilled by legal obstacles, but yesterday got its first important legal break. The group is now more confident it can overcome its anti-trust hurdles following a deal with Amerada Hess whereby Mobil will sell to that company Marathon's downstream assets should its bid be successful.

The anti-trust authorities have charged that a Mobil takeover would violate anti-trust laws by threatening to diminish competition in certain oil products markets in several mid-western states. Mobil says its agreement with Amerada Hess removes these objections.

The appeals court is due to hold its hearings on Thursday when the takeover contest could well be decided. But Mobil has indicated it will not throw in the towel even if it loses at this stage. It said this week it plans to buy up to 25 per cent of U.S. Steel shares in a novel attempt to secure Marathon's oil and gas assets should U.S. Steel win the takeover battle.

# South Roodepoort rights issue

BY JIM JONES IN JOHANNESBURG

SOUTH ROODEPOORT, the gold mine to the west of Johannesburg, is to restructure its capital and call for further funds from shareholders with a R1.5m rights issue.

For most of this year and last the mine has been struggling with low gold prices, great difficulty improving gold recovery grades and relatively heavy capital spending needs to replace old plant and equipment.

In May the mine raised R3.75m ($3.8m), with the issue of 937,629 14 per cent convertible debentures at 400 cents apiece. The debentures are convertible at the option of the holders between 1983 and 1986 into ordinary shares on a one-for-one basis.

The debentures were not popular with ordinary shareholders and 71 per cent of the debentures were left in the hands of the underwriters, London stockbrokers Laing and Cruickshank.

Mr Loucas Pouroulis, the mine's managing director, warned in September that the mine faced closure in 1982 unless the gold price improved to about $600. Since then operations have continued to produce deficits with the risk that there will be a default on December interest payments on the debentures.

Laing and Cruickshank has agreed to underwrite the latest R1.5m rights issue provided there is no material deterioration in trading conditions.

# SA building societies to merge

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S largest building society, the United which has assets of almost R3.8bn ($3.9bn), is proposing to merge with one of its competitors, Southern Trident, ranked seventh in the industry. The merger will result in a society with combined assets of about R4.6bn.

According to Southern Trident's management, the merger provides expansion opportunities which were out of reach before. The smaller society has reserves of only R6m and did not generate sufficient funds to provide facilities such as automated cashier facilities which were needed to compete effectively.

● Otis Elevator, the South African lift and escalator manufacturer in which United Technologies of the U.S. has a 70 per cent interest, did not materially improve profits in the year ended November 30. Pre-tax profit rose to R8.6m ($8.8m) from R8.12m in the preceding year, while after-tax income rose by R240,000 to R5.12m.

However, the profit improvement at the after-tax level was due entirely to a revised accounting method.

The result was that after-tax profit was R234,000 higher than it would have been under the previous method.

A total dividend of 29 cents a share has been declared from earnings of 30.1 cents a share.

# Austrian steelmaker sees end to losses

By Paul Lendvai in Vienna

VOEST-ALPINE, the Austrian heavy engineering and steel group, expects to lose between Sch 2.5bn and Sch 3bn ($190m) in 1981 but is confident of moving out of the red next year.

The company plans to increase sales from Sch 38bn to Sch 53bn in 1982 thanks partly to a healthy order book. At the end of September, group orders at Sch 56bn were almost double their level of a year ago.

Orders for finished products were showing gains of 41 per cent and basic engineering orders were ahead by no less than 136 per cent. Steel as a proportion of manufacturing capacity will this year decline to 35 per cent against more than 60 per cent seven years ago.

Voest will receive sufficient Government aid to absorb this year's losses and complete its structural changes, notably the closure of uneconomic plants and redeployment of labour.

Meanwhile, the supervisory board is expected shortly to approve a plan aimed at tackling one of the company's major problem areas, the Donawitz steel plant where 5,400 steelmen produce 1.2m tons a year. The plant lost Sch 1bn during the first half of 1981 and total yearly losses will be "considerably higher." Some 1,400 workers and employees will be made redundant and production will be shifted to the main plant at Linz.

For its part, VEW, the special steel subsidiary, expects to post a loss of Sch 2bn for 1981. As a result of the closure of uneconomic plants, the company hopes to reduce losses "considerably" next year and by 1983 to reach break even.

## Paul Y ahead

Paul Y Construction has achieved a 24 per cent increase in after-tax profits to HK$25.8m (U.S.$4.16m) for the six months ended September 30, compared with HK$20.7m for the same period last year, our Hong Kong correspondent writes. Earnings per share rose from 17 cents to 21.2 cents.

# Nissan prepared to boost its stake in Motor Iberica

BY RICHARD C. HANSON IN TOKYO

NISSAN MOTOR has indicated its willingness to participate in a drastic rationalisation plan for Motor Iberica in Spain, in which it already holds a 35.8 per cent share.

The plan calls for Nissan to boost its equity share in the Spanish motor company as part of a large infusion of capital, including aid from the Spanish Government. A commercial loan syndication led by the Bank of Tokyo has already been made to the company.

Nissan, since acquiring its stake in Motor Iberica in January 1980 has been preparing for local production in Spain of two models from 1983. The plan calls for producing 15,000 Nissan "Patrols" a year, and a like number of small vans. Nissan will spend Y12bn ($58m) on the project.

Nissan declines to comment on the details of the financial assistance, including plans for an increase in capital. Motor Iberica reportedly needs more than $100m (including the funds for producing two Nissan models) to carry out its rationalisation plans.

Five banks, led by the Bank of Tokyo's Madrid branch, arranged in August a loan of Pta 2bn ($20.5m) which Motor Iberica drew down in October as part of the financial reconstruction plan.

Nissan is expected to become the majority shareholder after completion of a capital increase.

# Japanese textile groups slide

TOKYO — Three of Japan's major textile companies have reported sharply deteriorating half-year unconsolidated earnings, despite the formation of a cartel to overcome the industry's depression.

Net earnings of Kanebo and Fuji Spinning swung into the red in the six months ended October, while those of Toyobo showed a substantial decline from the year before.

Beginning in May, Japanese spinners formed a cartel for five months to adjust production, but the stagnation was more severe than had been anticipated.

Some recovery is expected in the second half of the current fiscal year as the economy improves and personal spending picks up.

Kanebo posted a net loss of Y400m ($1.8m) in the first half, compared with a Y400m profit a year earlier. Sales edged down by 0.4 per cent to Y126.5bn ($583m).

The yen's depreciation in the six months led to a surge in Kanebo's exports, helping the company cover some of the losses it suffered in the domestic market. Exports rose 18.5 per cent from the year before to Y28.4bn accounting for 22.5 per cent of overall sales.

Fuji posted a net loss of Y404m against a Y102m profit a year earlier. Sales rose 1.5 per cent to Y42.7bn. Fuji's exports fell 8.5 per cent to Y7.5bn.

Toyobo's net profits fell 34.6 per cent to Y784m while sales edged up 1.6 per cent to Y133.8bn. Exports showed a 1.6 per cent rise to account for 11.2 per cent of total sales.
AP-DJ

# Nat-Ned to issue U.S. paper

BY CHARLES BATCHELOR IN AMSTERDAM

HOLLAND'S largest insurance group, Nationale-Nederlanden, is to issue commercial paper on the U.S. money market. Nat-Ned is the first non-U.S. insurer to obtain Securities and Exchange Commission approval for this step.

The company has established a sizeable presence in the U.S. over the past few years. In 1979 it acquired Life of Georgia Insurance Company for Fl 700m ($283m) while it also has majority holdings in four other companies in the U.S. Business booked outside the Netherlands, much of it in the U.S. accounted for more than half of Nat-Ned's 1980 premium income of Fl 6.1bn ($2.47bn).

The paper will be issued by Nationale - Nederlanden U.S. Corporation, the holding company for its activities, backed by a guarantee from the parent Dutch group. The funds raised will be used exclusively within the U.S. Nat-Ned has been given an A-1 rating by Standard and Poor's and a P-1 rating by Moody's.

The First Boston Corporation will act as dealer for Nat-Ned and Morgan Guaranty Trust Company of New York as paying agent.

The commercial paper market allows issuers to raise dollars usually more cheaply than on the Eurodollar market. More than 1,000 companies currently have paper outstanding, including some 150 non-U.S. concerns.

Amsterdam-Rotterdam Bank was the first Dutch financial institution to make use of the U.S. commercial paper market, starting in mid-1980. It has since been followed by Algemene Bank Nederland and Rabobank Nederland.



COMMODITIES/REVIEW OF THE WEEK

# Copper market hit by U.S. downturn

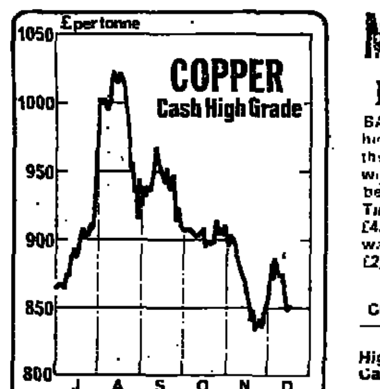
BY OUR COMMODITIES STAFF

COPPER PRICES fell back sharply on the London Metal Exchange this week following a downturn in the U.S. market depressing sentiment. Poor demand, and the prospects of worse to come as the U.S. recession deepens, upset the New York market and triggered off a new round of domestic price cuts by U.S. producers. This in turn upset London and brought out speculative selling. As a result the high-grade copper cash price ended the week £36.5 down at £851.5 a tonne, in spite of rallying slightly yesterday on covering prior to the weekend, encouraged by the confrontation between Libya and the U.S.

In contrast to recent weeks, the tin market was fairly stable. The cash price closed only £35 up at £8,400 a tonne, but the three months quotation gained £122.5 to £8,247.5 a tonne.

However the market remains highly nervous awaiting the outcome of the bid to extend U.S. strategic stockpile sales of surplus tin to foreign, as well as domestic, buyers. The deadline set for objection by Congress to the proposed plan expires on Sunday. If the stockpile plan to increase sales is approved, it will put considerable extra pressure on the group that has been controlling the tin market since July.

Already dealers are noting that the group is having to pay considerable sums to support the cash price, and there are reports of large shipments of new supplies on their way to Europe.




The stockpile authorities have also applied for approval to extend sales of surplus silver to foreign buyers as well. So far all bids submitted at the weekly selling auctions of stockpile silver have been rejected; they were again this week.

Howevr there is also a move in Congress to halt sales of stockpile silver by insisting on a study of alternative methods of disposal. A Bill to this effect has been passed by the House of Representatives, but it is expected to be opposed by the Reagan Administration when being considered by the Senate next week and is, therefore, likely to be blocked.

Lead and zinc values were held up by the failure of further talks aimed at settling the long-running strike at Tara Mines in Ireland. However it was reported yesterday that a tentative agreement had been reached to end the three-month old strike at International Nickel's Thompson Manitoba plant, which accounts for about 20 per cent of the group's nickel production capacity.

Cash nickel eased by £12.5 to £2,870 a tonne yesterday, but this was still £70 up on the week since the market has already discounted all the possible "bad" news and anticipates that further production cutbacks may cut surplus supplies in the months ahead.

Continuing lack of demand put natural rubber prices under further pressure. The No. 1 R.S.S. spot price in London fell on Thursday to 50.5p a kilo—the lowest level since April 1978. It recovered slightly yesterday to 51p as a result of the weakness of sterling and reports of renewed support buying by the buffer stock of the International Rubber Agreement.

World sugar values rose strongly, mainly at the end of the week, following news that the Soviet Union had re-entered the market as a buyer of Australian sugar. The London daily price for raw sugar was lifted by £14 to £169 a tonne.

It was the first purchase by Russia of Australian sugar since 1974

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Change on week | Year ago | 1981 High | 1981 Low |
|---|---|---|---|---|---|
| **METALS** | | | | | |
| Aluminium | £810/815 | — | £810/815 | £810/815 | £760/70 |
| Free Markets c.i.f. | $1120/1150 | — | $1400/430 | $1500/1530 | $1015/045 |
| Antimony | | | | | |
| Free Market 99.6% | $2440/2540 | — | $3200/370 | $3200/3260 | $2440/540 |
| Copper Cash High Grade | £851.5 | −36.5 | £766.5 | £1,023.5 | £755 |
| 3 months Do. Do. | £871.25 | −33.5 | £782.25 | £1,052.75 | £777.5 |
| Cash Cathodes | £848.5 | −34.5 | £754 | £1,025 | £748.5 |
| 3 months Do | £868 | −32.25 | £768.5 | £1,046 | £765.5 |
| Gold per oz | $411 | −14.5 | $560.5 | $601 | $390 |
| Lead Cash | £350.5 | +6.5 | £316 | £502 | £273.75 |
| 3 months | £361.5 | +7.5 | £327.25 | £499.5 | £285.25 |
| Nickel | £3,678.69 | — | £3,216 | £4,219.69 | £3,156 |
| Free Market c.i.f. lb | 245/285c | +15 | 280/305c | 295/310c | 235/275c |
| Platinum per oz | £260 | — | £202 | £260 | £202 |
| Free Market per oz | £214.25 | −1.25 | £237.75 | £250.90 | £185.60 |
| Quicksilver (76lbs.) | $422/428 | +2.5 | $370/380 | $428/438 | $355/365 |
| Silver per oz | 452.15p | +5.65 | 618.50p | 671.20p | 412.80p |
| 3 months per oz | 466.95p | +5.75 | 636.90p | 695.70p | 427.00p |
| Tin cash | £8,400 | +35 | £6,404 | £8,575 | £5,700 |
| 3 months | £8,247.5 | +122.5 | £6,465 | £8,657.5 | £5,865.5 |
| Tungsten Ind | $137.32 | | $144.32 | $149.08 | $137.32 |
| Wolfram (22.04 lb.) | $124/129 | −2.5 | $138/141 | $151/155 | $127/131 |
| Zinc cash | £431.5 | +3.75 | £328 | £553.5 | £306.5 |
| 3 months | £438.75 | +3.5 | £339.75 | £566.5 | £318.25 |
| Producers | $920/950 | — | $823 | $1000 | $823 |
| **GRAINS** | | | | | |
| Barley Futures | £107.30z | −0.2 | £99.95 | £107.45 | £94.40 |
| Maize French | £135.25 | +6.75 | £121.50 | £130.00 | £119.75 |
| WHEAT Futures | £111.95 | +0.5 | † | £121.10 | £99.10 |
| Hard Winter Wheat | † | — | † | £124 | £102.0 |
| **SPICES** | | | | | |
| Cloves (g) | £5,500x | | £4,100 | £6,000 | £3,800 |
| Pepper, white | $1,975x | −25 | $2,200 | $2,150 | $1,850 |
| " black | $1,400x | — | $1,625 | $1 650 | $1,225 |
| **OILS** | | | | | |
| Coconut (Philippines) | $560y | | $570 | $640 | $520 |
| Groundnut | £705y | — | † | † | † |
| Linseed, Crude | | — | | £460 | £400 |
| Palm Malayan | $480w | −5 | £595 | $645 | $480 |
| **SEEDS** | | | | | |
| Copra (Philippines) | $360 | +12.5 | $395 | $430 | $335 |
| Soyabeans (U.S.) | $258 | +12 | $305 | $340 | $246 |
| **OTHER COMMODITIES** | | | | | |
| Cocoa Shipment | £1,253 | +18 | £952 | £1,416 | £850 |
| Cocoa Futures Mar. | £1,170.5 | +20 | £876.5 | £1,315 | £789.5 |
| Coffee Futures Jan. | £1,107.5 | −39 | £982.5 | £1,167.5 | £733.5 |
| Cotton Index | 67.35c | −1 | 97.95c | 101.15c | 67.30c |
| Des Coconut | £540 | | £650 | £680 | £610 |
| Gas Oil Fut. Nov. | $320 | −1.25 | £221 | $328.75 | $268 |
| Jute LJ ABW C grade | £265x | | | £265 | £219 |
| Rubber kilo | 51p | −0.5 | 57.5p | 65.25p | 50.5p |
| Sago Pearl | £228x | — | £199 | £252 | £197 |
| Sisal No. L | $650x | — | $780 | $780 | $650 |
| Sugar (Raw) | £169x | +14 | £245 | £315 | £148 |
| Tapioca No. 1 | £225x | — | £212 | £235 | £207 |
| Tea (quality) kilo | 118p | −2 | 122p | 130p | 117p |
| (plain) kilo | 80p | +1 | 54p | 87p | 59p |
| Wooltops, 64s Warp | 374p kilo | +4 | 297p kilo | 400p kilo | 294p kilo |

† Unquoted. (g) Madagascar (y) Jan/Feb (x) Dec/Jan. (z) March. (w) Jan. * Nominal. § Ghana cocoa.

# MARKET REPORTS

## BASE METALS

BASE-METAL PRICES moved a little higher in a restricted trading day on the London Metal Exchange in line with the weaker sterling. Weekend bear covering lifted Copper to £872, Tin to £8,260, Lead to £362, Zinc to £438.5 and Aluminium to £611. Nickel was steady at £2,920 at the close after £2,943 at one stage

| COPPER | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| HighGr de | | | | |
| Cash | 846.5-7 | −7.75 | 851-2 | +3.5 |
| 3 mths | 866.5-6 | −7.5 | 871-.5 | +2.5 |
| Settlem't | 847 | −7.5 | — | |
| Cathodes | | | | |
| Cash | 844.5-5 | −5 | 848-9 | −3.5 |
| 3 months | 864.5 | −6.5 | 867.5-8.5 | −2.5 |
| Settlem't | 845.5 | −5 | — | |
| S. Prod | | | *79-84 | |

Amalgamated Metal Trading reported that in the morning, high grade cash copper traded at £847.00. Three months £868.00, 68.50, 69.00, 68.50, 67.00, 67.50, 68.00, 67.50, 67.00. Standard Cathodes: Three months £863.00. Kerb: Higher grade, Three months £868.00, 67.50, 68.00, 68.50, 69.00. Afternoon: Higher grade, cash £851.00. Three months £869.00, 69.50, 70.00, 71.00, 72.00, 71.00, 71.50, 71.00. Turnover: 18,250 tonnes

| TIN | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| High Grade | | | | |
| Cash | 8420-30 | +72.5 | 8390-410 | −35 |
| 3 months | 8260-70 | +42.5 | 8245-50 | −25 |
| Settlem't | 8430 | −75 | — | |
| Standard | | | | |
| Cash | 8420-30 | −72.5 | 8390-410 | −35 |
| 3 months | 8260-70 | −42.5 | 8245-50 | −25 |
| Settlem't | 8430 | +75 | — | |
| Straits E. | $356.54 | −.02 | — | |
| New York | | | | |

Tin—Morning: Standard cash £8,400, 50, 40, 30. Three months £8,240, 50, 60, 70. Kerb: Standard, cash £8,400. Late-Feb £6,540. Three months £8,280, 50. Afternoon: Standard, three months £8,250. Turnover: 1,205 tonnes.

| LEAD | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 345.5-8.5 | −7.25 | 350-1 | −13.5 |
| 3 months | 356.5-7 | −8.5 | 361-2 | +13.5 |
| Settlem't | 346.5 | −7.5 | — | |
| U.S. Spot | | | *32.6 | |

Lead — Morning: Three months £354.00, 55.00, 56.00, 55.50, 56.00, 55.00, 54.50, 54.00, 55.00, 56.00, 56.50. Kerb: Three months £356.00, 56.50, 57.00. Afternoon: Three months £360.00, 61.00, 62.00, 63.00, 62.50, 62.00. Turnover: 14,775 tonnes.

| ZINC | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 426.5-7.5 | +0.5 | 431-2 | −6.5 |
| 3 months | 434.5-5 | +1.5 | 438.5-9 | −6.25 |
| S'ment | 427.5 | −0.5 | — | |
| Primw'ts | — | | *44.50 | |

Zinc—Morning: Three months £435.00, 36.00, 37.00, 36.00, 35.50, 35.00, 34.50. Kerb: Three months £435.00. Afternoon: Three months £438.00, 39.00, 38.00, 38.50, 39.00. Turnover: 6,250 tonnes.

| Aluminm | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 589-.5 | −10 | 590-2 | −4.5 |
| 3 months | 611-.5 | +10 | 611-3 | −3.5 |

Aluminium—Morning: Cash £589.00, 88.50. Three months £611.00, 12.00, 11.00, 11.50, 12.00, 11.00, 12.00, 11.00, 12.50, 11.00. Kerb: Three months £612.00. Afternoon: Three months £612.00. Turnover: 7,200 tonnes.

| NICKEL | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| Spot | 2890-910 | −11.5 | 2860-80 | −12.5 |
| 3 months | 2940-50 | +22.5 | 2920-5 | +2.5 |

* Cents per pound. † M$ per kilo. † On previous unofficial close.

Nickel—Morning: Kerb: Three months £2,940. Afternoon: Three months £2,915, 20, 25, 20. Turnover: 1,086 tonnes.

## SILVER

Silver was fixed 6.55p an ounce higher for spot delivery in the London bullion market yesterday at 452.15p. U.S. cent equivalents of the fixing levels were: spot 850.3c, up 2.3c; three-month 875.1c, up 2.9c; six-month 907.3c, up 6.6c; and 12-month 965.8c, up 2.8c. The metal opened at 446-450p (842-847c) and closed at 453-457p (855-860c).

| SILVER per troy oz. | Bullion fixing price | + or − | L.M.E. p.m. Unoffic'l | + or − |
|---|---|---|---|---|
| Spot | 452.15p | +6.55 | 455.5p | +10.9 |
| 3 months | 466.95p | +6.55 | 470.5p | +10.7 |
| 6 months | 484.30p | +7.85 | — | |
| 12 months | 516.20p | +6.20 | — | |

LME—Turnover 117 (87) lots of 10,000 ounces. Morning: Three months 467.0, 67.5, 67.0, 66.0. Kerb: Three months 465.5, 66.0. Afternoon: Three months 468.0, 69.0, 70.0, 71.0.

## COCOA

Currency movements were the major factor and futures traded actively with the closing call showing the highs of the day, reported Gill and Duffus.

| COCOA | Yes'rday's Close | + or − | Business Done |
|---|---|---|---|
| Dec | 1177-78 | +26.0 | 1179-62 |
| March | 1170-71 | +28.0 | 1172-48 |
| May | 1177-78 | +27.0 | 1178-59 |
| July | 1180-81 | +22.0 | 1182-68 |
| Sept | 1187-91 | +22.5 | 1190-81 |
| Dec | 1209-10 | +24.5 | 1210-195 |
| March | 1214-19 | +24.5 | 1214-13 |

Sales: 2,679 (2,110) lots of 10 tonnes.

ICCO—Daily price for Dec 10: 95.29 (95.08). Indicator for Dec 11: 96.39 (96.89) U.S. cents per pound.

## COFFEE

Marginal losses in New York coupled with sterling fluctuations kept prices within the recent range, reports Drexel Burnham Lambert

| COFFEE | Yesterday's Close | + or − | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Jan | 1120-26 | +8.5 | 1126-10 |
| March | 1107-08 | −4.5 | 1110-98 |
| May | 1097-98 | +6.0 | 1099-87 |
| July | 1095-97 | +7.5 | 1095-87 |
| Sept | 1095-96 | +6.5 | 1095-86 |
| Nov | 1095-96 | +9.5 | — |
| January | 1092-97 | +7.0 | — |

Sales: 1,186 (1,928) lots of 5 tonnes.

ICO—1979 indicator prices for Dec 10 (U.S. cents per pound). Comp. daily ICA 121.57 (122.41); 15 days average 122.73 (123.08).

## GAS OIL FUTURES

Weather conditions in north west Europe and some profit-taking pushed the market higher in thin conditions, reports Premier Man

| Month | Yesterdys close | + or − | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| December | 319.00 | | 319.00-18.50 |
| January | 320.00 | −2.50 | 320.50-18.50 |
| February | 319.75 | +2.00 | 320.50-18.75 |
| March | 317.00 | +1.00 | 318.00-16.25 |
| April | 315.00 | +1.00 | 315.50-15.50 |
| May | 311.00 | −0.50 | 311.25-11.00 |
| June | 311.00 | −0.50 | 312.00-11.00 |
| July | 312.00 | +1.00 | — |
| August | 315.00 | −0.25 | — |

Turnover: 556 (1,746) lots of 100 tonnes

## WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business) Australian cents per kg. Dec 483.0, 483.5, 483.0-481.0; March 492.0, 492.5, 492.5; May 502.7, 503.0, 505.0-502.7; July 509.0, 510.0, 511.0-509.0; Oct 507.0, 509.0, 509.5-507.5; Dec 514.0, 516.0, 516.0-514.5; March 517.5, 520.0, untraded. May 524.0, 526.0, 526.0. Sales: 14.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 353 buyer, nil; Jan 355, 364, 363; March 368, 371, 361-368; May 378, 379, 378; Aug 396, 397, 396-395; Oct 397, 399, 398; Dec 405, 408, 406-405; Jan 407, 408, 409-408; March 415, 417, 417-416; May 420, 427, nil. Sales: 100.

## GRAINS

Cold weather encouraged shipper and general trade buying before jobber liquidation and profit-taking eased the market back, Acli reports.

| Mnth | WHEAT Yesterd'ys close | + or − | BARLEY Yesterday close | + or − |
|---|---|---|---|---|
| Jan | 108.40 | +0.50 | 104.10 | +0.85 |
| Mar | 111.95 | +0.40 | 107.30 | +0.10 |
| May | 115.10 | +0.45 | 110.20 | |
| July | 117.90 | +0.40 | — | |
| Sep | 106.15 | +0.15 | 101.10 | +0.15 |
| Nov | 109.60 | +0.10 | 104.90 | −0.10 |

Business done—Wheat: Jan 108.50-108.30, March 112.05-111.75, May 115.20-114.95, July 117.90-117.70, Sept 106.15 only, Nov 109.50 only. Sales: 433 lots of 100 tonnes. Barley: Jan 104.20-104.10, March 107.45-107.30, May 110.35 only, Sept 101.15-101.10, Nov 104.90 only. Sales: 151 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent, Dec 112.00, Jan 118.75 transhipment East Coast sellers. English Feed fob, Jan/March 114.50 South Coast. Maize: French, Dec 135.25 transhipment East Coast. South African White/Yellow, Dec 83.00. Barley: English Feed fob, Jan/March 110.75 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: N. East 102.50, Scotland 103.00. The UK Monetary Coefficient for the week beginning Monday December 21 (based on HGCA calculations using three days' exchange rates) is expected to remain unchanged.

## RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed uncertain. Lewis and Peat reported a December fob price for No. 1 RSS in Kuala Lumpur of 204.5 (203.0) cents a kg and SMR 20 174.0 (173.0).

| No. 1 R.S.S. | Yest'r'ys close | Previous close | Business Done |
|---|---|---|---|
| Jan | 52.10-52.20 | 51.50-52.00 | 52.50-52.10 |
| Feb | 52.30-52.40 | 51.50-51.60 | 52.60-52.50 |
| Jan-Mar | 52.20-52.50 | 51.80-51.70 | 52.50-51.50 |
| Apr-Jne | 56.40-55.50 | 54.60-54.70 | 56.50-54.70 |
| Jly-Sept | 58.40-58.60 | 57.80-57.90 | 58.60-57.90 |
| Oct-Dec | 61.60-61.70 | 60.90-61.00 | 61.70-61.30 |
| Jan-Mar | 64.80-64.90 | 64.10-64.20 | 64.88-64.40 |
| Apl-Jne | 67.70-67.80 | 66.90-67.00 | 67.80-67.60 |
| Jly-Sept | 70.60-70.70 | 69.80-70.00 | 71.00-70.50 |

Sales: 298 (427) lots of 15 tonnes, 17 (30) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 51.00p (50.50p); Jan 52.25p (52.00p); Feb 52.50p (52.25p).

## SOYABEAN MEAL

| | Yesterdys Close | + or − | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| December | 127.00-30.0 | +0.50 | — |
| February | 130.50-31.5 | — | — |
| April | 132.50-33.2 | +0.05 | 133.00-31.80 |
| June | 132.50-33.5 | +0.20 | 133.00-31.80 |
| August | 132.00-35.0 | −0.50 | — |
| October | 132.00-37.0 | −0.75 | — |
| Dec | 133.00-39.0 | −0.50 | — |

## POTATOES

LONDON POTATO FUTURES—The market was firmer, with weather a contributory factor, and weekend short covering adding to late strength, reports Coley and Harper. Closing prices: Feb 92.50, +1.30 (high 92.50, low 92.00); April 107.20, +1.70 (high 107.50, low 105.50); Nov 57.00, −0.50, (67.00 only). Turnover: 152 (391) lots of 40 tonnes.

## SUGAR

LONDON DAILY PRICE—Raw sugar £169.00 (£163.00) a tonne cif Dec-Jan shipments. White sugar daily price £173.50 (£168.50).

The market rapidly recovered from the overnight lows before profit-taking developed. Higher New York quotations produced a further rally and the market closed at the highs, reports C. Czarnikow.

| No. 4 Con-tract | Yest'rdy's close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| Jan | 172.70-74.60 | 169.00-73.75 | 174.50-73.00 |
| March | 178.50-78.75 | 176.00-76.20 | 178.75-72.75 |
| May | 180.50-80.50 | 177.60-78.00 | 180.00-74.60 |
| Aug | 182.50-83.50 | 180.25-80.70 | 182.50-78.40 |
| Oct | 187.25-88.25 | 185.00-85.25 | 187.00-84.50 |
| Jan | 186.00-88.75 | 185.00-87.00 | — |
| March | 191.00-93.50 | 187.00-92.00 | — |

Sales: — lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £375.00 (same) a tonne fob for home trade and £279.5 (£273.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for December 10: Daily price 12.78 (12.55); 15-day average 12.43 (12.35).

★

LIVERPOOL—Spot and shipment sales amounted to 386 tonnes. The session provided the biggest turnover of the week, buying being accompanied by a persistent demand from many quarters. Chiefly sought were supplies of African and certain Middle Eastern qualities.

★

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£5.80, codlings £2.50-£4.00; Large haddock £3.50-£4.00.

# AMERICAN MARKETS

NEW YORK, December 11.

RUMOURS OF SOVIET purchases in Australia produced a moderate rally in sugar. Cotton rallied strongly on favourable export sales reports and encouraged short covering. Coffee advanced sharply on roaster buying interest based on indications of a quota cutback by the ICO. Heating oil prices recovered moderately on a forecast of cold affecting the U.S. east coast. Cocoa was moderately higher on short covering and light producer buying ahead of the ICA meetings next week, reported Heinold.

Copper—Dec 70.70-70.80 (70.50), Jan 70.80-71.05 (71.00), Feb 71.90, March 72.65-72.75, May 74.40-74.60, July 76.05-76.25, Sept 77.90, Dec 80.15, Jan 81.30, March 83.05, May 84.80, July 86.55, Sept 88.30.

*Gold—Dec 406.7 (407.8), Jan 409.4 (410.5), Feb 411.5-413.0, April 419.0-421.0, June 425.0-431.0, Aug 440.5, Oct 448.8, Dec 458.6, Feb 466.4, April 478.6, June 488.9, Aug 499.2, Oct 509.6.

*Platinum—Dec 393.5 (397.6), Jan 391.5-395.0 (397.6), April 402.0-403.0, July 413.0, Oct 427.0.

Potatoes (round whites)—Feb 70.00 (same), March 74.5 (74.8), April 84.1-84.3, Nov 77.0-78.0. Sales: 182.

*Silver—Dec 851.0-852.0 (839.5), Jan 856.0 (845.5), Feb 865.2, March 870.0-875.0, May 892.0-895.0, July 909.0-918.0, Sept 932.1, Dec 970.0, Jan 971.9, March 991.8, May 1011.8, July 1031.0, Sept 1050.7. Handy and Harman bullion spot: 854.00 (840.00).

Sugar—No. 11: Jan 12.75-12.85 (12.64), March 13.13-13.18 (13.05), May 13.20-13.30, July 13.50-13.52, Sept 13.72-13.79, Oct 13.92, Jan 13.75-13.90, March 14.58, May 14.68-14.78. Sales: 11,050.

Tin—704.00-717.00 (705.00-722.00).

CHICAGO, December 11.

Live Cattle—Dec 58.70-58.75 (59.10), Feb 56.02 (57.52), April 58.02, June 56.82-57.05, Aug 56.55-56.70, Oct 55.80, Dec 56.75.

Live Hogs—Dec 40.50-40.80 (40.55), Feb 40.75-41.00 (41.25), April 39.10-39.20, June 41.60-41.50, July 42.80-42.70, Aug 41.80, Oct 41.55, Dec 43.00, Feb 43.75.

††Maize—Dec 254¼-253¾ (251), March 272½-272¼ (269½), July 287½-287, Sept 285¾, Dec 291¼.

Pork Bellies—Feb 54.00-54.30 (54.20), March 54.15-54.30 (54.20), May 56.05-55.50, July 56.25-56.30, Aug 55.50-54.95.

†Soyabeans — Jan 641-638 (629), March 651-647 (640), May 658-660, July 667-668½, Aug 666, Sept 664-665, Nov 665-665½, Jan 677, March 692.

‖Soyabean Meal—Dec 190.0 (186.8), Jan 189.6-190.0 (185.6), March 190.5-190.0, May 191.5-191.0, July 192.5, Aug 192.5, Sept 192.5-194.0, Oct 192.5, Dec 194.5.

Soyabean Oil — Dec 19.75-19.70 (1964), Jan 19.92-29.88 (19.84), March 20.50-20.51, May 21.05-21.00, July 21.55-21.50, Aug 21.55, Sept 21.75, Oct 21.75, Dec 22.10, Jan 22.10-22.15.

†Wheat—Dec 394 (391¾), March 404-403¾ (412), May 419¾, July 418¾-418½, Dec 441½.

WINNIPEG, December 11.

§Barley—Dec 118.80 (118.50), March 124.90-125.00 (14.50), May 128.50, July 132.50, Oct 133.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 239.74 (237.14).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ‡ Cents per troy ounce. †† Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

## Thursday's closing prices

NEW YORK, December 10.

The precious metals and copper were lower on continued long liquidation. Sugar was sharply higher on aggressive commission house buying. The grain and soyabean complex declined on heavy liquidation associated with a strong U.S. dollar. Heating oil was sharply lower on bearish statistics reflecting reduced demand, reported Heinold.

††Cocoa—Dec 1978 (1993), March 2017 (2016), May 2039, July 2065, Sept 2095, Dec 2128, March 2168.

Coffee—"C" Contract: Dec 144.75-144.95 (14.58), March 133.35-133.75 (133.08), May 128.10-128.26, July 126.30-126.50, Sept 124.35-124.50, Dec 122.05-122.50, March 121.20-122.60, May 115.00-120.00. Sales: 1,866.

Cotton—No. 2: March 61.71-61.80 (61.85), May 63.20-63.25 (63.39), July 64.60-64.70, Oct 66.50-66.80, Dec 67.81-67.85, March 69.25-69.32, May 70.46-70.60. Sales: 3,200.

Orange Juice — Jan 123.10-123.20 (124.55), March 124.90-124.40 (125.60), May 125.70, July 126.80, Sept 127.80-128.80, Nov 128.60-129.00. Sales: 1,000.

CHICAGO, December 10.

Chicago Imm Gold — Dec 408.8 (410.3), March 417.5-418.0 (420.0), June 429.5-430.5, Sept 443.3, Dec 457.2, March 471.7, June 486.5, Sept 501.5.

## INDICES

### FINANCIAL TIMES

| Dec. 11 | Dec. 10 | Month ago | Year ago |
|---|---|---|---|
| 251 | 244.98 | 253.20 | 262.49 |

(Base: July 1, 1952=100)

### DOW JONES

| Dow Jones | Dec. 10 | Dec. 9 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 358.70 | 369.50 | 360.09 | 413.73 |
| Fut's | 360.90 | 368.63 | 376.86 | 487.51 |

(Average 1924-25-26=100)

### MOODY'S

| Dec. 10 | Dec. 9 | Month ago | Year ago |
|---|---|---|---|
| 970.1 | 972.1 | 995.5 | 1201.8 |

(December 31, 1931=100)

### REUTERS

| Dec. 11 | Dec. 10 | M'nth ago | Year ago |
|---|---|---|---|
| 1605.9 | 1592.3 | 1629.1 | 1668.2 |

(Base: September 18, 1931=100)

# Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective *sub-headings*. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ф Bargains done previous day. $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malayan. $Mc—$Mexican: $NZ—$New Zealand: $S—$Singapore: $US—$United States: $WI—$West Indian.

## BANKS, DISCOUNT (492)

## BREWERIES (330)

## COMMERCIAL (6,449)

### A—B

Allied Residential (10p) 22 4 (9,12)
Allied Textile 143 (9 12)
Alpine (5p) 45 6 7
Alpine Soft Drinks (10p) 70

Bolton Textile Mill (5p) 13 4 (9·12)
Booker McConnell 54 5 6 7 8 60
Boosey Hawkes 128 (9.12)

### C—D

### E—F

Ferguson Ind Hldgs 76 7 (9 12)
Ferranti (50p) 595 600 1 2 5 8 10
Fidelity Radio (10p) 47 9 (9.12)
Fife Indmar 90 2 (9/12)
Finlan (John) (10p) 136 8
Finlay (James) 94 5 6 7
Finlay Packaging (5p) 25
First Castle Electronics (10p) 97
Firth G.M. Hldgs (10p) 195 200
Fisher (Albert) Gp (5p) 10½ (8.12)
Fisons (£1) 130 2 ½ 3 5 7
Fitch Lovell (20p) 75 6 7
Fitzwilton (Ir£0.25) I£0.35 I£0.36. 9pc Ln 1982 I£93
Flexello Castors & Wheels 28
Flight Refuelling Hldgs 272 (9/12)
Fobel Int 23

### G—H

### I—J—K

### L—M

Leyland Paint Wallpaper 32½ 5
Ley's Foundries Eng 19 (9/12)
Lilleshall (10p) 36 (4.12)
Lilley (F. J. C.) 155. New 155
Linfood Hldgs 157 8 60. 12pcLn 105 ½
Link House Pubs (20p) 240 3 (8/12)
Linread 18
Listar 31 (8 12)
Liverpool Daily Post Echo (50p) 134 (8/12)
Lloyd (F. H.) Hldgs 32½
Locker (Thomas) (Hldgs) (5p) 12 3. A N-vtg (5p) 12
London Liverpool Tst. (10p) 40
London Midland Inds 93 5. 9½pcLn 115 (8 12)
London Nrthrn Grp 37 ½ 8
London Brick 70½ 1 ⅟₁₆ 2½. 14pcLn 120

### N—O—P

### Q—R—S

(FFr100) FFr144.95ф
Sale Tilney 182 (9/12)
Samuel H. 210. A 1...
Samuelson Film Service ...
Sanderson Murray & Elder ... (7/12)
Sangers Gp 34 6
Saville Gordon J. Gp ...
Savoy Hotel A (10p) 17...
Scapa Gp 147 8 9 50 ...
Schlumberger ($1) 29¼ ...
Scholes (George H.) 2...
Scotcros 94 (9·12)
Scott & Robertson 23 ...
Scott (David) Group (10...
Scottish Agricultural In... (9/12)
Scottish English Europe... 76
Scottish Television No... 75 7
Sears Holdings (25p) 47...
Sears Roebuck ($0.75) ...
Securicor Group 177 ... (Non-Vtg.) 180
Security Centres Holdi... 73 5
Security Services 183 ... Non-Vtg. 180 (8/12)
Sekers International (10...
Selincourt (5p) 9 ¼ ...
Senior Engineering Grou...
Serck 55 (8/12)
Sharna Ware (20p) 11...
Sharpe Fisher 40
Sharpe (Charles) (£1) 4...
Sharpe (W. N.) Holdings ...
Shaw Marvin (10p) 11 ...
Shaw Carpets (10p) 19...
Shaw (Francis) (20p) 9...
Sheffield Brick Group 3...
Shiloh Spinners 23 (7...
Sidlaw Industries (50p) ...
Siebe Gorman Hldgs. 17...
Silentnight Hldgs. (10p) ...
Silkolene Lubricants 18...
Silverthorne Group (10...
Simon Engineering 377...
Simpson (S.) 78 (8/12)...
Singlo Group (10p) 30... 15pcCnv.Ln. 1988-91 ...
Sirdar 114. New Ord ... 115 (8/12)

### T—U—V

### W—Y—Z

## FINANCIAL TRUSTS (228)

## INSURANCE (300)

## INVESTMENT TRUSTS (348)

## UNIT TRUSTS (12)

## MINES—Miscellaneous (232)

## MINES—SOUTH AFRICAN (84)

## OIL (676)

## PROPERTY (356)

## PLANTATIONS (30)

## APPOINTMENTS

# New planning post at Imperial Group

Mr A. M. Reid has been appointed to the new post of director of group planning at IMPERIAL GROUP. He continues to be chairman of Imperial Tobacco but relinquishes the title of managing director of that company.

Dr H. R. Bentley, currently assistant managing director of Imperial Tobacco, is appointed deputy chairman and managing director of that company.

★

HAMBRO LIFE has made the following appointments from January 1: Mr Sandy Leitch, Mr Donald Pell and Mr Alan Young will join the board. Mr Leitch, as administration director, will join the executive committee of the board which consists of Mr Mark Weinberg, Mr Syd Lipworth, Mr Mike Wilson and Mr Joel Joffe. Mr Joffe and Mr Wilson will become deputy managing directors; Mr Wilson will retain the title of marketing director.

Mr Mike Bateman (broker division), Mr Nigel Brinn (Financial division), Mr Lawrence Churchill (systems division), Mr Peter da Costa (life division), Mr David Boulton (area director—south west), and Mr Ladia Suchopar (data processing division) become executive directors.

Mr Jim Cronin (broker area director), Mr Norman Leslie (systems division), Mr David Mills (broker area director), Mr Brian Metters (systems division) and Mr Peter Stemp (personnel division) become assistant directors.

★

Mr Douglas J. B. Powell has been appointed chief executive of the TURKISH-BRITISH CHAMBER OF COMMERCE.

★

Mr Andrew Barrett, group marketing director of Thomas Cook, has been appointed to the board of THOMAS COOK TRAVEL. Mr Ian Fox, group chief accountant of Thomas Cook, has been appointed to the board Ms Rosemary Berry, personnel manager of Thomas Cook, has been appointed to the board.

★

Micro software specialist company, JARMAN SYSTEMS, Tring, has appointed management consultant Mr Harold H. Norcross to the board.

★

Mr Gordon A. England has been appointed director, management and economics centre, of SRI INTERNATIONAL, Europe, Middle East and Africa. He was previously marketing director for Europe and Africa.

★

Mr Denis Grover has joined the STERLING - WINTHROP GROUP as director of planning in its ethical medicines group.

★

Mr Roger Waddington has been appointed purchasing director of STROUD RILEY DRUMMOND GROUP. Mr Keith Thornton has been appointed production manager. Mr Raymond Turner joins the company as design and development director from January 1.

★

The Trade Secretary has re-appointed Mr William Derek Hadfield Gregson, assistant general manager of Ferranti (Scotland), as deputy chairman and part-time member of the BRITISH AIRPORTS AUTHORITY with special responsibility for the Authority's Scottish airports. Mr Gregson will serve for a period of three years until December 1984.

★

Mr John Lovell has been appointed export director of EXPRESS DAIRY UK to handle the sales of bulk commodity lines together with specialised food ingredient products and branded dairy products on international markets.

★

Ofrex Group, recently acquired by Gallaher, through its subsidiary Howard Wall has acquired KL AUTOMOTIVE PRODUCTS. Retaining its own identity, KL will continue to serve its customers through the leadership of its present directors: Mr George Rothman, managing director; and Mr John Fisher, sales director. Mr John W. R. Lewis, director of Ofrex Group and chairman of Howard Wall, will join the KL board.

★

WILLIAM SANDERSON AND SON, distillers of VAT 69 scotch whisky, has appointed Mr John Watson as marketing director from January 1.

★

Mr J. P. Lobbenberg has joined the board of ELECTRONIC MACHINE COMPANY as a non-executive director.

★

The following have been appointed directors of C. T. BOWRING (UNDERWRITING AGENCIES): Mr P. N. Archard, Mr B. Coleman, Mr R. T. Griffiths, Mr R. J. R. Keeling, Mr J. W. S. Macdonald, Mr N. P. Menges and Mr J. W. Ramplin.

★

Dr G. R. Mathewson and Mr J. R. Glen have been appointed to the board of SCOTTISH INVESTMENT TRUST. Dr Mathewson is chief executive of the Scottish Development Agency. He was previously a director and assistant general manager of the Industrial and Commercial Finance Corporation. Mr Glen has been a manager of The Scottish Investment Trust since 1969. He is also a director of The Scottish Life Assurance Company and several other companies.

## LOCAL AUTHORITY BOND TABLE

| Authority (telephone number in parentheses) | Annual gross interest | Interest payable | Minimum sum | Life of bond |
|---|---|---|---|---|
| | % | | £ | Year |
| Knowsley (051-548 6555) ........ | 14¼ | ½-year | 1,000 | 4-8 |

UNLISTED SECURITIES MARKET (639)

RAILWAYS (6)

SHIPPING (88)

UTILITIES (10)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

Warrior Res. 58
Waste Management $US37⅝ £19⅞ 20
West Coast Hldgs. 10½ 11½
West Coast Trans. 580
Western Coal and Uranium 3 (9/12)
Westinghouse Elect. £14⅛ (7/12)
Westmex 13
Wheelock Marden A 63½ø 4½ø 5½
Wheelock Marden B 4½ (8/12)
Whim Creek Cons. 38 40 (8/12)
Woodside Pets 77 8 ½ 80 1 3
Woolworth (F. W.) America 987½
World Int. 28 (9/12)
York Resources 29½
Zone Petroleum 185

## RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Ann Street Brewery 298 300 5 (8/12)
Baker Electronics 23 (7/12)
Brain (S.A.) 11pc2ndCum.Pf. 93½ 4 (7/12)
Burrough (James) 111 (9/12)
Castletown Brewery 3½pc1stMtg. £23½
Celtic Basin Oil Expl. 165 7 70 (9/12)
Channel Hotels and Props. 11 2 (4/12)
C.I.C. Inv. (1p) 33,128 (9/12)
Clairmace 7¼
Conroy Pet. and Nat. Res. 280
Dalkeith (Ceylon) 14 (8/12)
E.S.I. 89½ 90 (7/12)
Eastbourne Wtrwks. 2.8pcIr.Pf. 140 (8/12)
Eldridge Pope A 282 7 (8/12)
Gibbs (M.) 220 (8/12)
Grampian T.V. 41 5
GRA Prop. Tst. 14¾
Greater Manchester Ind. Radio B 51½ (4/12)
Heavitree Brewery A 330 (8/12)
Hemerden Mng. and Smelting 65
Home Brewery 590 1¼
Interven. V. (Hldgs.) 7pcCnv.Pf. 108 10
Intervision Video (Hldgs.) Pfd. 30 (9/12)
Ipswich Port Authority 3½pcMtg. £21 2 (9/12)
Jennings Bros. 158 (8/12)
Jersey New Wtrwrks 12½pcDeb. £90 (9/12). 3½pcCum.2ndPf. 110 (4/12)
3½pcCum.2ndPf. 110 (4/12)
Jessel Tst. 11
Key City Props. 48½ 9 50 (4/12)
Kuala Perrau Rubber Plants. 12½ (4/12)
Le Riches Stores 237
Lifeguard Ass. 285 90
Manchester Utd. FC 157 8 80 70 (4/12)
Manx Petroleum 24 (9/12)
Nationwide Leisure 10 (9/12)
NMW Computers 134 5 6½ 8
Norton Villiers Triumph ¾ (7/12)
ORE 215
Oldham Ests. 134 (4/12)
Otis Elevator 7½pcGtd.Deb. 1975/85 £77 (8/12)
Parker (Frederick) 50 (8/12)
PMPA Insce. 39 (8/12)
Plantation and Gen. Inv. 62
Portsmouth Harbour and Ferry 120 (4/12)
Rowe Evans Invs. 34 (7/12)
Scottish Ceylon Tea 40 1
Severn Valley Railway 75 (4/12)
Sheraton Sec. Intnl. 11 (9/12)
Southern Newspapers 163 5
SPO Minerals 19½ 23 (9/12)
Swan Hunter ½ 1
Tom Hill 5½ (8/12)
Tottenham Hotspur FC £10 ½
Twinlock 15pcLn. 1976-99 £87 ½ (9/12)
Weetabix A (non-vtg) 81 (7/12)
Yelverton Invs. 30 (9/12)

## RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Field Systems (20p) 124 6
Aran Energy (IR£0.20) 24 ½ 5 6
Atlantic Resources (IR£0.25) 203 ⅝ 5 15
Berkeley Exploration Production (£1) 363 5
Cambridge Petroleum Royalties 295 (9/12)
Candecca Resources (10p) 217 8 9 20 1 2 4 5
Kenmare Oil Exploration (IR£0.25) 20
Eglington Oil Gas 98 100 (7/12)
Energy Sources (Northern Ireland) 8 11 (9/12)
Marinex Petroleum (10p) 120 2 4 5
Moray Firth Exploration PLC (£1) (50p paid) 101 3
Steaua Romana (British) (25p) 63
Sun Oil Company (UK) (Oil Royalty Stock Units 1p) 170 85

(By permission of the Stock Exchange Council)

# FT UNIT TRUST INFORMATION SERVICE

## OFFSHORE & OVERSEAS FUNDS

## MONEY MARKETS

**London clearing bank base lending rates 14½ per cent (since December 4)**

The Treasury bill rate rose sharply at yesterday's tender to 14.5801 per cent from 13.7583 per cent and the minimum accepted bid fell to £96.26½ from £96.56½. Bids at that level were met as to about 27 per cent and above in full. The £100m of bills on offer attracted bids of £185.825m down from £342.654m for a similar amount the week before, and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing maturities of £100m.

Day to day credit was again in short supply in the money market with the Bank of England forecasting a shortage of around £300m. *Factors affecting the* market included bills maturing in official hands and a net take up of Treasury bills −£140m, a rise in the note circulation −£180m and Exchequer transactions −£20m. The Bank gave assistance in the morning totalling £132m comprising purchases of eligible bank bills in band 1 (up to 14 days) of £3m at 14⅝ per cent and in band 2 (15-33 days) £18m of eligible bank bills at 14⅝-14⅝ per cent. In band 3 (34-63 days) it bought £17m of Treasury bills at 14½ per cent, £33m of local authority bills at 14½-14⅝ per cent and £61m of eligible bank bills at 14½-14⅝ per cent.

The shortage was revised to £400m, not taking into account the Bank's morning operations and further help was given in the afternoon totalling £296m, making a grand total of £428m. *The afternoon help comprised* purchases of eligible bank bills in band 2 of £163m at 14½-14⅝ per cent.

## EXCHANGES AND BULLION

Sterling continued to fall sharply in currency markets yesterday despite a firmer trend in UK interest rates. Lower oil prices and possible industrial unrest both served to undermine confidence while U.S. interest rates were again firmer. The dollar benefited from the higher level of Euro-dollar rates and was stronger against most major currencies. Within the European Monetary System the Belgian franc was placed outside its divergence limit and weakened further despite a two point rise in the Belgian discount rate to 15 per cent.

Sterling's trade weighted index fell to 89.8 from 90.3, its lowest closing level for a month, having stood at 89.7 at noon and 90.0 in the morning. Against the dollar it opened at $1.8945 and lost ground steadily, with the Bank of England probably giving gentle support from time to time. It touched a low of $1.8735 in the afternoon and closed at $1.8800-1.8810, a fall of 1.3c. Against the Deutsche Mark it fell to DM 4.25 from DM 4.2625 and SwFr 3.4600 from SwFr 3.4950. It was also lower against the French franc at FFr 10.8050 from FFr 10.8225.

The dollar rose to DM 2.2590 against the Deutsche Mark from DM 2.2525 and Y219.25 from Y218.5. It was slightly easier in terms of the Swiss franc however at SwFr 1.8410 compared with SwFr 1.8450. On Bank of England figures, the dollar's index rose to 107.2 from 107.0.

Gold rose $4 an ounce in the bullion market to $410½-411½.

## GOLD

| | Dec. 11 | | Dec. 10 | |
|---|---|---|---|---|
| **Gold Bullion (fine ounce)** | | | | |
| Close | $410½-411½ | (£217¾-218¼) | $406½-407½ | (£214½-215) |
| Opening | $407½-408½ | (£216-216½) | $408-409 | (£214-214½) |
| Morning fixing | $409 | (£216.173) | $407.00 | (£213.556) |
| Afternoon fixing | $409.75 | (£217.721) | $405.50 | (£213.759) |
| **Gold Coins** | | | | |
| Krugerrand | $423-424 | (£225¼-225¾) | $419-420 | (£221-221½) |
| 1/2 Krugerrand | $221-222 | (£117¾-118¼) | $219-220 | (£115½-116) |
| 1/4 Krugerrand | $112-113 | (£59½-60¼) | $111-112 | (£58½-59) |
| 1/10 Krugerrand | $47-48 | (£25-25½) | $46-47 | (£24¼-24¾) |
| Mapleleaf | $423-424 | (£225¼-225¾) | $419-420 | (£221-221½) |
| New Sovereigns | $100-101 | (£53¼-53¾) | $99½-100 | (£52½-52¾) |
| King Sovereigns | $115-116 | (£61-61½) | $113-114 | (£59½-60) |
| Victoria Sovs | $116-116 | (£61-61½) | $113-114 | (£59½-60) |
| French 20s | $99-109 | (£52¾-58) | $98-108 | (£51¾-57) |
| 50 pesos Mexico | $507-510 | (£270-271½) | $502½-505½ | (£265-266½) |
| 100 Cor. Austria | $398-402 | (£212-214) | $394-398 | (£207¾-209¾) |
| $20 Eagles | $508-513 | (£270½-273¼) | $504-509 | (£265¾-268¼) |

## THE POUND SPOT AND FORWARD

| Dec 11 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.8735-1.8945 | 1.8800-1.8810 | 0.40-0.30c pm | 2.23 | 0.92-0.82 pm | 1.85 |
| Canada | 2.2275-2.2400 | 2.2350-2.2380 | 0.25-0.35c dis | −1.61 | 0.70-0.90dis | −1.43 |
| Nethlnd. | 4.64-4.68 | 4.65¾-4.66¾ | 2-1½c pm | 4.51 | 5⅜-4⅞ pm | 4.19 |
| Belgium | 72.30-73.25 | 72.95-73.15 | 220-240c dis | −37.78 | 305-325dis | −17.25 |
| Denmark | 13.75-13.88 | 13.84-13.85 | 1⅜-⅜ore pm | 0.97 | 3⅜-2⅜ pm | 0.88 |
| Ireland | 1.1950-1.2050 | 1.1975-1.1990 | 0.27-0.39p dis | −3.30 | 0.83-1.03dis | −3.10 |
| W. Ger. | 4.23-4.27 | 4.24½-4.25½ | 1⅞-1⅝pf pm | 4.59 | 5-4½ pm | 4.47 |
| Portugal | 121.50-122.75 | 122.20-122.50 | 35-195c dis | −11.28 | 75-405 dis | −7.86 |
| Spain | 182.00-183.50 | 182.60-182.80 | 20-50c dis | −2.30 | 80-115 dis | −2.13 |
| Italy | 2,271-2,284 | 2,271-2,273 | 15½-18½ lire dis | −8.98 | 49¾-52¾dis | −8.93 |
| Norway | 10.82-10.91 | 10.85¾-10.86¾ | 3¼-5¼ore dis | −4.70 | ⅜-2⅞ dis | −0.62 |
| France | 10.74-10.82 | 10.80-10.81 | ½-1½c dis | −1.11 | 4½-5½ dis | −1.85 |
| Sweden | 10.42-10.49 | 10.44-10.45 | 2¾-1¼ore pm | 2.01 | 7⅜-6½ pm | 2.70 |
| Japan | 410-414 | 411½-412½ | 3.30-3.00y pm | 9.17 | 8.55-8.25 pm | 8.15 |
| Austria | 29.60-30.00 | 29.72-29.77 | 16½-11½gro pm | 5.65 | 44-34 pm | 5.24 |
| Switz. | 3.45-3.49 | 3.45½-3.46½ | 2-1½c pm | 6.07 | 4⅞-4⅜ pm | 5.35 |

Belgian rate is for convertible francs. Financial franc 82.95-83.05. Six-month forward dollar 1.10-1.02c pm, 12-month 1.30-1.10c pm.

## EXCHANGE CROSS RATES

| Dec. 11 | PoundSterling | U.S. Dollar | Deutschem'k | Japan'seYen | FrenchFranc | Swiss Franc | Dutch Guild' | ItalianLira | Canadia Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.881 | 4.250 | 412.0 | 10.805 | 3.460 | 4.658 | 2272. | 2.236 | 73.05 |
| U.S. Dollar | 0.532 | 1. | 2.260 | 219.1 | 5.746 | 1.840 | 2.477 | 1208. | 1.189 | 38.85 |
| Deutschemark | 0.235 | 0.442 | 1. | 96.94 | 2.542 | 0.814 | 1.096 | 534.6 | 0.526 | 17.19 |
| Japanese Yen 1,000 | 2.427 | 4.564 | 10.32 | 1000. | 26.23 | 8.398 | 11.30 | 5515. | 5.426 | 177.3 |
| French Franc 10 | 0.925 | 1.740 | 3.933 | 381.3 | 10. | 3.202 | 4.311 | 2103. | 2.069 | 67.61 |
| Swiss Franc | 0.289 | 0.543 | 1.228 | 119.1 | 3.123 | 1. | 1.346 | 656.6 | 0.646 | 21.11 |
| Dutch Guilder | 0.215 | 0.404 | 0.913 | 88.46 | 2.320 | 0.743 | 1. | 487.8 | 0.480 | 15.68 |
| Italian Lira 1,000 | 0.440 | 0.828 | 1.871 | 181.3 | 4.756 | 1.523 | 2.050 | 1000. | 0.984 | 32.15 |
| Canadian Dollar | 0.447 | 0.841 | 1.901 | 184.3 | 4.833 | 1.548 | 2.083 | 1016. | 1. | 32.68 |
| Belgian Franc 100 | 1.369 | 2.574 | 5.818 | 564.0 | 14.79 | 4.736 | 6.376 | 3110. | 3.060 | 100. |

## EURO-CURRENCY INTEREST RATES (Market closing Rates)

| Dec. 11 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Belgian Franc Convertible | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 14¾-15 | 12⅛-12⅜ | 16-17 | 10⅞-11⅛ | 2¾-3¼ | 10¼-10⅜ | 15⅛-15⅜ | 18-20 | — | 6¾-7 |
| 7 days' notice | 14⅞-15⅛ | 12¼-12½ | 16-17 | 10⅞-11⅛ | 3½-4 | 10⅜-10⅛ | 15¼-15½ | 21-24⅜ | — | 7-7⅛ |
| Month | 15⅛-15⅛ | 13-13 | 17⅜-17¾ | 11⅛-11¼ | 9-9 | 10-10 | 16¼-16½ | 24¼-26 | 45-55 | 6-7 |
| Three months | 15½-15⅝ | 13⅛-13¼ | 17⅛-17½ | 11⅛-11¼ | 9¾-9⅞ | 10-11 | 17⅜-17⅝ | 24½-25⅝ | 28-33 | 6-7 |
| Six months | 15½-15⅝ | 14⅛-14⅜ | 16⅞-17¼ | 11⅛-11¼ | 9-9 | 10-10 | 18⅜-18⅝ | 24⅝-25⅛ | 25-28 | 6-7 |
| One Year | 15⅜-15½ | 14¼-14½ | 16⅞-17⅛ | 11⅛-11¼ | 8-8 | 10⅛-10¼ | 18⅞-19⅛ | 24¼-25¼ | 21½-25 | 6-7 |

SDR linked deposits: one-month 12⅝-12⅞ per cent; three months 12½-12⅞ per cent; six months 12⅞-13¼ per cent; one-year 12⅞-13¼ per cent.

ECU linked deposits: one-month 14¾-15 per cent; three months 14⅞-14⅞ per cent; six months 14⅞-14⅞ per cent; one-year — per cent.

Asian $ (closing rates in Singapore): one-month 13-13½ per cent; three months 13¾-13½ per cent; six months 14-14⅛ per cent; one-year 14¼-14⅜ per cent. Long-term Eurodollar two years 14⅝-14⅞ per cent; three years 14¾-15 per cent; four years 14⅞-15⅛ per cent; five years 15⅛-15⅜ per cent nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 12.90-13.00 per cent; three months 13.10-13.20 per cent; six months 13.70-13.80 per cent; one-year 13.90-14.00 per cent.

## FT LONDON INTERBANK FIXING (11.00 a.m. DECEMBER 11)

| 3 months U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 13 11/16 | offer 13 15/16 | bid 14 5/16 | offer 14 7/16 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

## LONDON MONEY RATES

| Dec. 11 1981 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negot'able bonds | Finance House Deposits | Company Deposits | Discount Market Deposits | Treasury Bills ⊕ | Eligible Bank Bills ⊕ | Fine Trade Bills ⊕ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 12-16 | 14¼-15 | — | — | 14-15¼ | 11-14⅛ | — | — | — |
| 2 days notice | — | — | 14⅛-14⅞ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 14¾-15⅛ | 14¾-15 | — | — | 15¼-15⅜ | 14⅜ | — | — | — |
| One month | 15-15⅛ | 15 15 | 15¼ | 16¼-16 | 15¼ | 15⅝ | 14⅜ | 14-14½ | 14-14¾ | 15⅜ |
| Two months | 15½ 15¼ | 15¼ 15½ | — | 16-15¾ | 15 | 15¾ | 14⅛-14¼ | 14½ | 14⅝-14¾ | 15¼ |
| Three months | 15-15 | 15¼-15½ | 15⅛ | 16-15¾ | 15½ | 15⅞ | 14-14⅛ | 15 | 15-15 | 15⅜ |
| Six months | 15½-15⅜ | 15¼-15½ | 15½ | 15¼-15 | 15⅝ | — | — | — | 14-14½ | 15 |
| Nine months | 15-15 | 15¼-15⅜ | — | 15⅝-15¼ | 15½ | — | — | — | — | — |
| One year | 15⅜-15¼ | 15⅛-15⅝ | 15⅜ | 15⅝-15¼ | 15½ | — | — | — | — | — |
| Two years | — | — | 15¼ | — | — | — | — | — | — | — |

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 16 per cent; four years 15 per cent; five years 15 per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14⅞ per cent; four months trade bills 15⅞ per cent.

Approximate selling rate for one-month Treasury bills 14⅜-14⅝ per cent; two months 14⅜ per cent; three months 14⅝-14⅞ per cent. Approximate selling rate for one month's bank bills 14½-14⅝ per cent; two months 14½ per cent; and three months 14½-14⅞ per cent; one-month trade bills 15⅛ per cent; two months 15 per cent; three months 15⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association): 16 per cent from December 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 12¼-12½ per cent. Clearing Bank Rates for lending 14½ per cent. Treasury Bills: Average tender rates of discount 14.5801.

## CURRENCY MOVEMENTS

| Dec. 11 | Bank of England Index | Morgan Guaranty Changes% |
|---|---|---|
| Sterling | 89.8 | −33.8 |
| U.S. dollar | 107.2 | +0.9 |
| Canadian dollar | 88.5 | −16.3 |
| Austrian schilling | 117.2 | +25.2 |
| Belgian franc | 104.0 | +7.2 |
| Danish kroner | 87.2 | −10.2 |
| Deutsche mark | 122.6 | +44.2 |
| Swiss franc | 150.9 | +100.3 |
| Guilder | 114.9 | +20.2 |
| French franc | 80.5 | −14.3 |
| Lira | 55.5 | −57.4 |
| Yen | 145.7 | +40.2 |

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

## EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU December 11 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 40.7572 | 41.8174 | +2.60 | +1.83 | ±1.5368 |
| Danish Krone | 7.91117 | 7.94096 | +0.38 | −0.39 | ±1.6412 |
| German D-Mark | 2.40989 | 2.43429 | +1.01 | +0.24 | ±1.1077 |
| French Franc | 6.17443 | 6.19432 | +0.32 | −0.45 | ±1.3733 |
| Dutch Guilder | 2.66382 | 2.67325 | +0.35 | −0.42 | ±1.5083 |
| Irish Punt | 0.684452 | 0.686739 | +0.33 | −0.44 | ±1.6688 |
| Italian Lira | 1300.67 | 1303.10 | +0.19 | +0.19 | ±4.1229 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for December 11 ........ 0.573470

## OTHER CURRENCIES

| Dec. 11 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 13,040-13,060† | 6932-6952† | Austria | 29.55-29.85 |
| Australia Dollar | 1.6550-1.6580 | 0.8820-0.8825 | Belgium | 80.75-82.75 |
| Brazil Cruzeiro | 230.55-231.55 | 122.59-123.20 | Denmark | 13.73-13.85 |
| Finland Markka | 8.199-8.225 | 4.3750-4.3770 | France | 10.72-10.84 |
| Greek Drachma | 108.528-108.760 | 56.75-56.95 | Germany | 4.22-4.26 |
| Hong Kong Dollar | 10.56-10.58 | 5.6150-5.6250 | Italy | 2270-2300 |
| Iran Rial | 151.70* | 78.85* | Japan | 413-418 |
| Kuwait Dinar (KD) | 0.527-0.533 | 0.2808-0.2811 | Netherlands | 4.65¼-4.69¼ |
| Luxembourg Fr. | 72.95-73.15 | 38.84-38.86 | Norway | 10.81-10.91 |
| Malaysia Dollar | 4.2050-4.2150 | 2.2375-2.2405 | Portugal | 120¾-150 |
| New Zealand Dlr. | 2.2770-2.2800 | 1.2085-1.2095 | Spain | 180½-190¼ |
| Saudi Arab. Riyal | 6.42-6.48 | 3.4190-3.4210 | Sweden | 10.40-10.50 |
| Singapore Dollar | 3.8400-3.8500 | 2.0430-2.0460 | Switzerland | 3.45-3.49 |
| Sth. African Rand | 1.8465-1.8485 | 0.9820-0.9830 | United States | 1.87½-1.89½ |
| U.A.E. Dirham | 6.90-6.96 | 3.6700-3.6730 | Yugoslavia | 84-87 |

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 20.717-20.737 and for the dollar 11.00-11.050. * Selling rate.

## U.K. CONVERTIBLE STOCKS 11/12/81

Statistics provided by *DATASTREAM International*

| Name and description | Size (£m) | Current price | Terms* | Con-version dates⊕ | Flat yield | Red. yield | Premium† Current | Premium† Range‡ | Income Equ.§ | Income Conv.¶ | Income Div.♡ | Cheap(+) Dear(−)◇ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| British Land 12pc Cv. 2002 | 9.60 | 260.00 | 333.3 | 80-97 | 4.6 | 2.3 | −4.9 | − 6 to 11 | 16.7 | 86.3 | 25.5 | +30.3 |
| Hanson Trust 6½pc Cv. 88-93 | 3.02 | 155.50 | 57.1 | 76-82 | 4.2 | | −7.1 | −11 to 4 | 4.6 | 0.0 | − 2.8 | + 4.4 |
| Hanson Trust 9½pc Cv. 01-06 | 42.70 | 109.00 | 35.7 | 85-01 | 9.2 | 9.1 | 4.2 | 4 to 27 | 85.0 | 75.7 | − 8.8 | −13.0 |
| Slough Estates 10pc Cv. 87-90 | 5.31 | 220.00 | 187.5 | 78-84 | 4.5 | | −8.3 | − 8 to 5 | 19.2 | 17.3 | − 0.8 | + 7.5 |
| Slough Estates 8pc Cv. 91-94 | 24.88 | 103.00 | 78.0 | 80-91 | 7.7 | 7.5 | 3.2 | 3 to 27 | 28.0 | 43.6 | 15.6 | +12.4 |

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Companies and Markets

# LONDON STOCK EXCHANGE

# Gilt falls to £1 as short-term interest rate pressures continue—Share index down 9.1 on week at 520.2

**Account Dealing Dates**
**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Nov 23 | Dec 3 | Dec 4 | Dec 14 |
| Dec 7 | Dec 17 | Dec 22 | Jan 4 |
| Dec 23 | Jan 7 | Jan 8 | Jan 18 |

* "New time" dealings may take place from 9 am two business days earlier.

Interest in London stock markets yesterday centred chiefly on Gilt-edged, which showed another widespread setback with continuing upward pressure on short-term domestic interest rates again undermining sentiment. Equity markets also trended easier, but the reaction here was less marked and owed much to the lack of business, curtailed by adverse weather conditions, than to any weight of selling.

The overnight fall in U.S. bonds set the seal for a lower opening in Gilts. Further marked weakness in sterling together with a sharp rise in Treasury Bill rates prompted nervous speculation about a possible rise in base lending rates next week and the underlying tone was decidedly weak. As a result, long-dated stocks settled around the day's lowest with falls ranging to a point and short-dated issues ended with losses to ⅞, the £40-paid tap, Exchequer 14 per cent 1986, falling that amount to 37¼. The Government Securities index fell 0.72 to 62.73 for a loss of 1.88 on the week.

## Guinness Peat firm

Equities soon lost the shine imparted by Thursday's notable revival of institutional demand. After a relatively steady start, leading shares took their cue from British Funds with quotations drifting quietly lower throughout the session. Only 0.2 off at the 10 am calculation, the FT 30-share index eased progressively to close at the day's lowest with a fall of 5.3 at 520.2, down 9.1 on the week.

After the emergence earlier in the week of numerous features in relatively lively business, little caught the eye yesterday in secondary issues. Speculative interest died down and company trading statements failed to produce much in the way of worthwhile movements. Oils turned quietly dull pending the outcome of the Opec ministerial meeting.

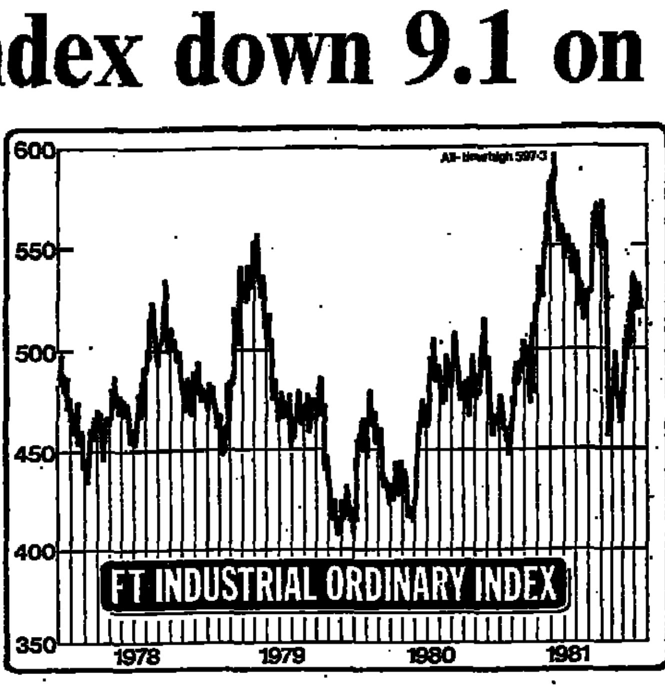
Traded options finished a disappointing week by recording 1,102 trades, comprising 789 calls and 313 puts. The week's daily average amounted to 1,205. Once again, interest centred upon Imperial, which attracted 222 calls, and Courtaulds, where 157 calls were taken out, 103 of which were struck in the January 60's.

Dealings in the restructured food concern Peek Investments resumed after a lengthy suspension; after opening at 4½p, the shares attracted occasional support and moved up to 6p; this compares with a 1976 suspension price of 4p. Elsewhere in the recent equities sector, Cable and Wireless, good recently on satisfactory interim figures, encountered profit-taking and shed 6 to 204p, but Exco attracted support following Press comment and touched 180p before closing a net 3 up at 176p.

Up 11 on Thursday following the Board's revelation that a partial bid for the group was in the offing, Guinness Peat added 4 to 100p awaiting developments; the market was still expecting the ex-chairman and current President, Lord Kissin, to be behind the move. Elsewhere, Royal Bank of Scotland lost 4, making a fall on the week of 16 to 182p awaiting the Monopolies Commission's report on the rival bids. The major clearers drifted lower on sporadic small selling and lack of support. Lloyds gave up 10 to 430p and NatWest cheapened 7 to 385p, while Barclays relinquished 5 to 440p. Discount Houses were inclined harder in places, Jessel Toynbee putting on 3 to 65p with King and Shaxson similarly higher at 89p.

Composite Insurances led the retreat in Insurances. Sun Alliance dipped 10 to 840p, while General Accident cheapened 6 to 324p as did GRE, to 296p. Elsewhere, Alexander Howden edged forward a penny to 141p after Press comment.

Breweries succumbed to scrappy selling and relinquished the gains established on Thursday. Whitbread gave up 4 to 137p, while Scottish and Newcastle fell 2½ to 48½p. Arthur Guinness, preliminary results due next Tuesday, declined a couple of pence to 61p and Bass closed 5 cheaper at 203p. Wines and Spirits also trended lower with Distillers finishing 3 off at 182p; the interim results are expected next Thursday. Profit-taking clipped 5 from H. P. Bulmer, 306p, but fellow-cider manufacturer Merrydown Wine continued to attract scattered speculative support and added a penny for a gain on the week of 5 to 38p.




## Frasers react

Leading Buildings closed a shade easier in places, Blue Circle losing a couple of pence to 480p and London Brick a penny to 71p. Elsewhere, A. Monk shed 4 to 58p on second thoughts about the interim results, while Pochins, a thin market, gave up 15 to 185p. Helical Bar shed 2 to 18p and Phoenix Timber 4 to 98p, both after poor half-yearly results. On the other hand, Newarthill attracted support and, in a restricted market, advanced 15 to 425p.

Interest in ICI was at a low ebb and the price drifted off to close a net 4 cheaper at 284p. Elsewhere in the Chemical sector, International Paint improved 3 to 213p, but Laporte gave up 2 to 123p.

In sharp contrast to the excitement generated during late trading on Thursday, leading Stores passed an uneventful session with most content to drift gently lower for want of attention. House of Fraser, up 15 on Thursday on reports of buyers attempting to purchase 7m shares in the company, encountered profit-taking and eased 4 to 170p, still up 20 since the Monopolies Commission blocked Lonrho's takeover bid. A generally favourable Press response to the interim results failed to inspire Great Universal Stores and the A eased 5 to 415p. Burton, 131p, and W. H. Smith, 160p, gave up 4 and 3 respectively, while Woolworths eased 2 to 50p.

Interest in Electricals was at an extremely low ebb. Prices drifted lower from the start in the absence of support. Closing levels were a few pence above the day's lowest, but GEC sustained a fall of 9 at 783p. Racal shed 7 to 413p, while Thorn EMI, 443p, and Plessey, 333p, gave up 5 and 4 respectively. Elsewhere, Kode International came on offer at 210p, down 12. Security Centres, on the other hand, rose 5 to 122p in the wake of a sizeable placing of the group's shares.

Hunslet (Holdings) jumped 40 to 225p in response to the higher profits and near-34 per cent annual dividend increase. Elsewhere in Engineerings, Johnson and Firth Brown hardened a penny to 18p despite the £2.7m first-half deficit and nominal interim dividend. Renewed speculative support lifted Expanded Metal a couple of pence more to 58p, while Ash and Lacy gained 6 to 250p and United Wire appreciated 3 to 70p. Belgrave (Blackheath) fell 3 to 13p on late details of the interim deficit. Baker Perkins lost 2 to 80p, after 78p, following disappointing half-year figures and Butterfield-Harvey declined 3½ for a two-day reaction of 5½ to 23p on the increased interim deficit. With the exception of Tubes, which hardened 2 to 106p, the leaders closed a shade easier for choice.

Lack of interest and sporadic selling left certain Food Retailers a shade lower. Huntley and Palmer, a good market recently on takeover hopes, reacted 2 to 77p but retained a gain on the week of 8 to 77p. Brooke Bond lost the turn to 47p awaiting details of the annual meeting. Elsewhere, Bishops A dropped 8 to 92p on the interim loss and dividend cut, while Singlo, good of late on speculative interest, shed 1½ to 32½ on profit-taking.

Grand Metropolitan, up 7 on Thursday on talk that the company was contemplating selling its Berni Inns subsidiary and some of the group's smaller London hotels relinquished 6 to 178p. Other leading Hotels and Caterers also had an easier bias, Trusthouse Forte losing 3 to 118p and Ladbroke a couple of pence to 125p.

## T. W. Ward good late

Miscellaneous industrials were featured by a late surge of 8 to a 1981 peak of 216p in T. W. Ward on hopes of an increased bid from RTZ. Sothebys at 410p, picked up 15 of the previous day's fall of 25 on further consideration of the annual results, while Gripperrods hardened a couple of pence to 111p in response to Press comment. Reflecting the decision to increase its bid for Berec until the last day of the month, Thomas Tilling cheapened 6 to 138p. Redfearn National Glass, at 121p, gave up 4 of the recent speculative rise after profit-taking ahed of Tuesday's results. De La Rue lost 10 to 660p nd BTR relinquished 8 to 340p. Aeronautici and General Instruments shed 15 to 300p on news of the halved interim earnings. The leaders lacked support and generally drifted easier. Awaiting Monday's preliminary results, BOC softened the turn to 148p. Boots gave up 3 to 194p and Turner and Newall 2 to 87p. after profit-taking ahead of Tuestion put on 3 to 161p.

Several Property issues moved against the generally dull trend. Town and City turned active and firm after favourable comment on the interim figures and put on 2½ to 30½p. Berkeley Hambro put on 4 for a two-day gain of 14 to 270p on vague bid rumours. Revived speculative interest left Country and New Town 3 dearer at 50p and Clarke Nickolls a like amount to the good at 109p. Crest attracted late support and added ½ to 12½p. Elsewhere, Beaumont Properties, up 18 on Thursday on the proposed merger with London Shop Property Trust, softened a couple of pence to 128p; London Shop, at 124p, gave up 4 of Thursday's gain of 16. Scottish Metropolitan lacked support and shed 2 to 100p, while, among the leaders, Land Securities lost a like amount to 310p and MEPC the turn to 246p.

## Oils easier

Good on Thursday pending the outcome of the Opec Ministerial meeting, the popular oils succumbed to light selling and drifted progressively lower as the session wore on. British Petroleum were finally 8 off at 326p and Shell 6 cheaper at 410p. Lasmo gave up 10 to 445p and Tricentrol 4 to 250p. Berkeley Exploration, 360p, and IC Gas, 202p, lost 8 apiece, while Hamilton Oil GB, at 123p, gave up 8 of the previous day's gain of 11 that followed news of its latest North Sea oil discovery. Claremont Petroleum, this week's high-flyer on the recent Jackson No. 1 oil discovery in the Queensland sector of the Cooper Basin, softened a penny to 98p, but retained a leap on the week of 56.

London and Overseas Freighters, the subject of a largely unsuccessful dawn raid earlier in the week, attracted renewed speculative interest anticipating further developments in the situation and picked up 3½ for a jump on the week of 21 to 55p. Support was also forthcoming for Milford Docks, 7 to the good at 125p.

South African industrials closed with a firmer bias, where altered. Tiger Oats rose 30 to 820p, while Greatermans A put on 35 to 625p.

Recently firm Plantations turned easier on profit-taking. Gadek (Malaysia), 84p, gave up Thursday's rise of 10, while Kuala Selangor shed 15 at 298p.

## Tins move higher

Mining markets were once again dominated by Tins, which recorded further good gains on speculation that the restructuring of the industry in Malaysia by MMC might include more takeovers. The rises were exaggerated by the small size of the market.

Kinta Kellas gained 37 to 600p, Hongkong Tin 35 to 400p, and Killinghall, 600p, and Gopeng, 575p, both closed 25 higher. Petaling, 330p, Tronoh, 270p, and Kamunting, 150p, all gained 10, the last-named to a new high for the year. By contrast, Pengkalen reacted 20 to 270p on profit-taking.

Gold traded a little firmer during the day and closed at $411 for a gain of $4: the Gold Mines index put on 4.2 to 331.8.

Randfontein Estates were the best of the South African heavyweights with a gain of a point to £33, while Buffels, £20⅞, Driefontein, £14½, Hartebeest, £29, Kloof, £16⅞, and Vaal Reefs, £35¾ all ended ⅛ to the good.

Among the cheaper issues, Ergo, 341p, Doornfontein, 972p, and Libanon, 985p, all closed 13 higher, and Stilfontein gained 12 to 905p.

South African Financials were a little firmer, led by Anglo American Gold, up ⅛ to £44, and Gold Fields of South Africa, a similar amount to the good at £40. Johnnies gained ¼ to £38. Gencor and UC Investments both ended 10 better at 990p and 660p respectively.

Elsewhere, Tara gave up a further 30 to 525p as the industrial dispute remained unresolved.

Australians mostly held steady, drifting off the best levels in places on lack of interest later. Meekatharra Minerals were an exception, gaining 10 further to 470p in advance of next week's annual meeting. Peko-Wallsend reacted to profit-taking with a fall of 6 to 350p.

London Financials drifted in a quiet market, with Rio Tinto-Zinc down 8 to 460p, Gold Fields 3 lower at 490p and Charter losing 2 off at 243p.

In Platinums, Impala put on 5 to 380p in response to steadier precious metal prices.

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Fri. Dec 11 1981 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Thurs. Dec. 10 Index No. | Wed. Dec. 9 Index No. | Tues. Dec. 8 Index No. | Mon. Dec. 7 Index No. | Year ago (approx.) Index No. | 1981 High | 1981 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (209) | 346.97 | −0.8 | 10.33 | 4.59 | 11.93 | 349.60 | 347.31 | 348.19 | 351.18 | 281.43 | 380.30 (28/8) | 272.28 (15/1) | 380.30 (28/8/81) | 50.71 (13/12/74) |
| 2 | Building Materials (25) | 300.43 | −0.2 | 15.06 | 5.72 | 7.59 | 301.03 | 299.65 | 301.79 | 303.95 | 236.99 | 334.34 (1/5) | 236.82 (13/1) | 334.34 (1/5/81) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (28) | 528.47 | +0.1 | 17.77 | 5.34 | 6.57 | 527.73 | 526.15 | 528.77 | 528.04 | 392.23 | 610.27 (30/4) | 403.39 (8/1) | 610.27 (30/4/81) | 71.48 (2/12/74) |
| 4 | Electricals (30) | 1191.03 | −1.1 | 8.35 | 2.49 | 14.97 | 1204.33 | 1196.09 | 1196.64 | 1201.92 | 998.35 | 1266.15 (28/8) | 888.13 (15/1) | 1266.15 (28/8/81) | 84.71 (25/6/62) |
| 5 | Engineering Contractors (9) | 475.03 | −0.1 | 13.33 | 5.84 | 8.76 | 475.54 | 472.95 | 479.50 | 485.21 | 358.58 | 512.20 (30/4) | 374.44 (20/1) | 512.20 (30/4/81) | 64.39 (2/1/75) |
| 6 | Mechanical Engineering (66) | 188.90 | −0.4 | 11.29 | 5.77 | 11.27 | 189.69 | 188.56 | 189.55 | 191.51 | 171.25 | 230.26 (24/4) | 162.47 (15/1) | 230.26 (24/4/81) | 45.43 (6/1/75) |
| 8 | Metals and Metal Forming (12) | 161.84 | −0.6 | 8.52 | 7.50 | 15.87 | 162.80 | 162.00 | 162.20 | 164.74 | 137.97 | 182.17 (1/5) | 127.24 (14/1) | 192.29 (4/5/79) | 49.65 (6/1/75) |
| 9 | Motors (21) | 92.57 | −0.5 | — | 7.36 | — | 93.05 | 92.38 | 92.70 | 94.01 | 90.33 | 112.76 (1/5) | 82.73 (6/11) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| 10 | Other Industrial Materials (18) | 365.75 | −1.5 | 9.08 | 6.19 | 13.36 | 371.34 | 366.91 | 365.70 | 374.26 | 0.00 | 405.13 (14/8) | 277.55 (15/1) | 405.13 (14/8/81) | 277.55 (15/1/81) |
| 21 | CONSUMER GROUP (198) | 265.86 | −0.9 | 13.59 | 6.20 | 9.04 | 268.36 | 265.36 | 266.44 | 270.52 | 230.43 | 296.18 (17/8) | 227.50 (14/1) | 296.18 (17/8/81) | 61.41 (13/12/74) |
| 22 | Brewers and Distillers (20) | 269.99 | −2.3 | 17.15 | 7.14 | 6.97 | 276.43 | 271.54 | 274.63 | 282.76 | 265.43 | 325.16 (16/6) | 244.42 (13/1) | 325.16 (16/6/81) | 69.47 (13/12/74) |
| 25 | Food Manufacturing (21) | 261.12 | −0.2 | 15.80 | 6.52 | 7.63 | 261.76 | 260.60 | 261.11 | 264.40 | 209.02 | 277.87 (3/9) | 204.17 (14/1) | 277.87 (3/9/81) | 59.67 (11/12/74) |
| 26 | Food Retailing (15) | 544.42 | −0.6 | 9.76 | 3.60 | 12.39 | 547.59 | 545.75 | 540.56 | 544.93 | 443.15 | 572.90 (3/9) | 440.89 (11/3) | 572.90 (3/9/81) | 54.25 (11/12/74) |
| 27 | Health and Household Products (7) | 340.83 | −0.3 | 9.21 | 4.70 | 12.76 | 341.81 | 335.75 | 337.92 | 343.16 | 236.28 | 363.73 (3/9) | 245.38 (14/1) | 363.73 (3/9/81) | 175.38 (28/5/80) |
| 29 | Leisure (24) | 414.45 | −1.0 | 9.87 | 5.34 | 12.63 | 418.78 | 416.25 | 420.68 | 425.32 | 345.10 | 476.41 (14/8) | 327.38 (16/1) | 476.41 (14/8/81) | 54.83 (9/1/75) |
| 32 | Newspapers, Publishing (12) | 483.93 | +0.2 | 12.74 | 6.23 | 11.38 | 483.16 | 478.49 | 481.45 | 482.75 | 421.58 | 526.15 (11/5) | 414.73 (28/9) | 526.15 (11/5/81) | 55.08 (6/1/75) |
| 33 | Packaging and Paper (13) | 130.42 | −0.5 | 15.81 | 8.26 | 7.54 | 131.03 | 130.45 | 130.68 | 132.23 | 111.20 | 161.79 (1/5) | 108.85 (14/1) | 161.79 (1/5/81) | 43.46 (6/1/75) |
| 34 | Stores (46) | 238.45 | −1.1 | 12.02 | 5.66 | 11.17 | 241.02 | 237.29 | 237.52 | 240.04 | 243.15 | 294.06 (30/4) | 211.94 (26/10) | 294.06 (30/4/81) | 52.63 (6/1/75) |
| 35 | Textiles (23) | 152.15 | −0.8 | 10.43 | 6.49 | 12.39 | 153.43 | 152.51 | 154.71 | 156.45 | 120.09 | 172.84 (30/4) | 122.37 (19/1) | 236.72 (17/1/67) | 62.66 (11/12/74) |
| 36 | Tobaccos (3) | 252.41 | −0.8 | 22.93 | 10.33 | 5.01 | 254.49 | 251.43 | 252.13 | 258.92 | 200.62 | 271.22 (28/8) | 193.57 (19/1) | 339.16 (2/8/72) | 94.34 (13/6/62) |
| 39 | Other Consumer (14) | 244.86 | +0.7 | 7.87 | 7.38 | 21.04 | 243.15 | 245.32 | 247.65 | 248.16 | 0.00 | 311.40 (1/5) | 229.84 (28/9) | 311.40 (1/5/81) | 229.84 (28/9/81) |
| 41 | OTHER GROUPS (80) | 223.96 | −0.7 | 11.07 | 6.22 | 11.56 | 225.61 | 223.65 | 224.47 | 227.44 | 212.21 | 249.19 (30/4) | 191.89 (28/9) | 249.19 (30/4/81) | 58.63 (6/1/75) |
| 42 | Chemicals (16) | 288.99 | −1.0 | 5.51 | 6.22 | 30.53 | 291.76 | 287.76 | 290.78 | 297.69 | 288.33 | 320.04 (30/4) | 235.35 (13/3) | 329.77 (4/5/79) | 71.20 (1/12/74) |
| 44 | Office Equipment (4) | 111.72 | +0.7 | 16.37 | 7.88 | 7.30 | 110.92 | 111.16 | 110.70 | 111.93 | 101.20 | 129.79 (22/4) | 92.79 (30/10) | 246.06 (1/9/72) | 45.34 (2/1/75) |
| 45 | Shipping and Transport (13) | 502.65 | −0.5 | 21.32 | 7.35 | 5.58 | 505.30 | 507.37 | 510.36 | 516.53 | 546.27 | 644.76 (24/4) | 430.18 (28/9) | 644.76 (24/4/81) | 90.80 (29/6/62) |
| 46 | Miscellaneous (47) | 287.81 | −0.8 | 12.61 | 5.62 | 9.67 | 290.17 | 287.52 | 286.88 | 287.97 | 259.95 | 314.68 (3/9) | 240.93 (28/9) | 314.68 (3/9/81) | 60.39 (6/7/75) |
| 49 | INDUSTRIAL GROUP (487) | 287.59 | −0.8 | 12.01 | 5.58 | 10.29 | 290.01 | 287.38 | 288.36 | 291.95 | 248.22 | 315.22 (17/8) | 241.24 (15/1) | 315.22 (17/8/81) | 59.01 (13/12/74) |
| 51 | Oils (13) | 763.79 | −1.9 | 18.64 | 7.39 | 6.07 | 778.97 | 759.68 | 755.73 | 766.43 | 925.07 | 923.71 (2/1) | 588.96 (28/9) | 1065.24 (19/11/80) | 87.23 (29/5/62) |
| 59 | 500 SHARE INDEX | 326.14 | −1.0 | 13.24 | 5.92 | 9.11 | 329.59 | 325.63 | 326.22 | 330.38 | 301.71 | 353.39 (17/8) | 276.00 (28/9) | 353.39 (17/8/81) | 63.49 (13/12/74) |
| 61 | FINANCIAL GROUP (119) | 253.17 | −0.7 | — | 6.00 | — | 255.04 | 254.19 | 256.26 | 259.56 | 233.20 | 279.45 (1/9) | 223.02 (28/9) | 279.45 (1/9/81) | 55.88 (13/12/74) |
| 62 | Banks (6) | 276.29 | −1.5 | 32.49 | 6.81 | 3.62 | 280.47 | 279.83 | 282.17 | 290.13 | 247.27 | 291.82 (30/11) | 220.84 (11/3) | 291.82 (30/11/81) | 62.44 (12/12/74) |
| 63 | Discount Houses (9) | 257.86 | +0.4 | — | 8.59 | — | 256.81 | 259.54 | 260.33 | 264.36 | 277.52 | 314.03 (20/3) | 227.70 (29/9) | 314.03 (20/3/81) | 81.40 (10/12/74) |
| 64 | Hire Purchase (3) | 227.85 | −0.2 | 13.65 | 8.11 | 10.14 | 228.40 | 228.40 | 230.43 | 226.86 | 197.52 | 274.53 (25/3) | 186.09 (28/9) | 433.74 (4/5/72) | 38.83 (11/12/74) |
| 65 | Insurance (Life) (9) | 250.08 | −0.3 | — | 6.40 | — | 250.92 | 252.33 | 254.80 | 257.40 | 230.70 | 298.44 (1/9) | 222.74 (7/1) | 298.44 (1/9/81) | 44.88 (2/1/75) |
| 66 | Insurance (Composite) (10) | 156.63 | −1.3 | — | 8.55 | — | 158.70 | 159.15 | 160.43 | 163.47 | 150.27 | 188.09 (1/9) | 142.06 (19/1) | 188.09 (1/9/81) | 43.96 (13/12/74) |
| 67 | Insurance Brokers (8) | 412.66 | +0.3 | 11.29 | 5.87 | 12.00 | 411.24 | 407.22 | 406.89 | 411.34 | 322.01 | 443.91 (11/9) | 294.21 (20/1) | 443.91 (11/9/81) | 65.86 (16/12/74) |
| 68 | Merchant Banks (12) | 153.57 | +0.2 | — | 5.32 | — | 153.31 | 150.79 | 152.53 | 150.99 | 143.06 | 179.36 (2/7) | 127.53 (28/9) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 69 | Property (50) | 458.48 | −0.2 | 4.74 | 3.18 | 28.43 | 459.23 | 455.38 | 459.69 | 460.62 | 436.13 | 517.77 (2/4) | 377.11 (28/9) | 517.77 (2/4/81) | 56.01 (20/4/65) |
| 70 | Miscellaneous (12) | 174.53 | −0.8 | 17.27 | 6.04 | 7.08 | 175.99 | 174.39 | 175.17 | 175.77 | 159.67 | 186.99 (13/8) | 145.06 (28/9) | 303.18 (18/5/72) | 33.29 (17/12/74) |
| 71 | Investment Trusts (110) | 286.06 | −0.8 | — | 5.65 | — | 288.42 | 286.81 | 289.25 | 291.81 | 275.72 | 332.90 (17/8) | 257.70 (28/9) | 332.90 (17/8/81) | 71.63 (13/12/74) |
| 81 | Mining Finance (4) | 239.84 | −1.2 | 14.37 | 5.93 | 8.38 | 242.70 | 242.97 | 245.58 | 244.68 | 231.72 | 296.26 (14/8) | 200.76 (6/2) | 296.26 (14/8/81) | 66.31 (30/9/74) |
| 91 | Overseas Traders (17) | 409.12 | — | 12.88 | 7.78 | 9.48 | 408.94 | 401.31 | 403.25 | 405.91 | 421.63 | 488.51 (18/5) | 369.85 (28/9) | 488.51 (18/5/81) | 97.37 (6/1/75) |
| 99 | ALL-SHARE INDEX (750) | 309.58 | −1.0 | — | 5.95 | — | 312.59 | 309.50 | 310.63 | 314.37 | 287.83 | 338.64 (17/8) | 265.85 (28/9) | 338.64 (17/8/81) | 61.92 (13/12/74) |

### FIXED INTEREST

| | PRICE INDICES | Fri. Dec 11 | Day's change % | Thurs. Dec 10 | xd adj. today | xd adj. 1981 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 104.91 | −0.45 | 105.38 | — | 10.80 |
| 2 | 5-15 years | 109.01 | −0.96 | 109.99 | — | 12.99 |
| 3 | Over 15 years | 102.62 | −1.02 | 103.67 | — | 13.07 |
| 4 | Irredeemables | 113.39 | −1.34 | 112.81 | — | 13.79 |
| 5 | All Stocks | 102.90 | −0.82 | 102.94 | — | 11.96 |
| 6 | Debentures & Loans | 78.74 | −0.42 | 80.08 | — | 10.92 |
| 7 | Preference | 60.78 | +0.29 | 60.53 | — | 6.82 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Fri. Dec 11 | Thurs. Dec 10 | Year ago (approx.) | 1981 Highs | 1981 Lows |
|---|---|---|---|---|---|---|---|
| | British Government | | | | | | |
| 1 | Low Coupons | 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Medium Coupons | 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 6 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7 | High Coupons | 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 9 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 10 | Irredeemables | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 11 | Debs & Loans | 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 12 | | 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 13 | | 25 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 14 | Preference | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Equity section or group | Base date | Base value | Equity section or group | Base date | Base value |
|---|---|---|---|---|---|
| Other Industrial Materials | 31/12/80 | 287.41 | Miscellaneous Financial | 31/12/70 | 128.06 |
| Other Consumer | 31/12/80 | 238.14 | Food Manufacturing | 29/12/67 | 114.13 |
| Health/Household Prods. | 30/12/77 | 261.77 | Food Retailing | 29/12/67 | 114.13 |
| Other Groups | 31/12/74 | 63.75 | Insurance Brokers | 29/12/67 | 96.67 |
| Overseas Traders | 31/12/74 | 100.00 | Mining Finance | 29/12/67 | 100.00 |
| Engineering Contractors | 31/12/71 | 153.84 | All Other | 10/4/62 | 100.00 |
| Mechanical Engineering | 31/12/71 | 153.84 | British Government | 31/12/75 | 100.00 |
| Office Equipment | 16/1/70 | 128.20 | Debs. & Loans | 31/12/77 | 100.00 |
| Industrial Group | 31/12/70 | 128.20 | Preference | 31/12/77 | 76.72 |

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

NAME CHANGE: Cater Ryder has changed its name to Cater Allen Holdings

## LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Thursday, December 10, 1981

| | | | |
|---|---|---|---|
| Contracting, Construction | +30.49 | Office Equipment | + 9.26 |
| Health and H'sehold Products | +29.44 | Insurance (Life) | + 8.73 |
| Other Industrial Materials | +29.20 | Financial Group | + 8.64 |
| Insurance Brokers | +28.69 | Insurance (Composite) | + 7.78 |
| Tobaccos | +27.49 | 500-Share Index | + 7.42 |
| Electricals | +25.80 | All-Share Index | + 7.06 |
| Food Manufacturing | +24.00 | Mining Finance | + 6.47 |
| Textiles | +23.05 | Brewers and Distillers | + 5.02 |
| Building Materials | +22.29 | Merchant Banks | + 3.44 |
| Capital Goods | +21.64 | Property | + 3.19 |
| Leisure | +19.99 | Investment Trusts | + 2.32 |
| Engineering Contractors | +19.64 | Other Groups | + 2.28 |
| Metals and Metal Forming | +18.54 | Other Consumer | + 2.10 |
| Food Retailing | +17.68 | Motors | + 0.93 |
| Hire Purchase | +15.76 | Chemicals | − 1.80 |
| Industrial Group | +14.43 | Stores | − 2.41 |
| Packaging and Paper | +14.38 | Overseas Traders | − 4.54 |
| Newspapers, Publishing | +13.70 | Shipping and Transport | − 6.00 |
| Banks | +13.61 | Discount Houses | −11.51 |
| Consumer Group | +12.69 | Oils | −16.11 |
| Mechanical Engineering | +10.58 | Gold Mines Index | −19.81 |

## RECENT ISSUES

### EQUITIES

| Issue price p | Amount Paid up | Latest Renunc. Date | 1981 High | 1981 Low | Stock | Closing price p | + or − | Div. p. or amount | Times covered | Gross yield | P.E. ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

| Issue price £ | Amount Paid up | Latest Renunc. date | 1981 High | 1981 Low | Stock | Closing price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### "RIGHTS" OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1981 High | 1981 Low | Stock | Closing price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. [illegible]

## FINANCIAL TIMES STOCK INDICES

| | Dec. 11 | Dec. 10 | Dec. 9 | Dec. 8 | Dec. 7 | Dec. 4 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs | 62.73 | 63.45 | 63.58 | 63.87 | 64.31 | 64.51 | 62.23 |
| Fixed Interest | 63.52 | 63.90 | 64.33 | 64.50 | 64.77 | 64.75 | 70.38 |
| Industrial Ord. | 520.2 | 525.5 | 520.2 | 521.7 | 535.5 | 529.3 | 460.3 |
| Gold Mines | 331.8 | 327.6 | 324.9 | 334.7 | 332.1 | 330.8 | 426.8 |
| Ord. Div. Yield | 5.80 | 5.74 | 5.81 | 5.79 | 5.68 | 5.72 | 7.71 |
| Earnings, Yld. % (full) | 10.13 | 10.02 | 10.13 | 10.10 | 9.91 | 9.97 | 17.38 |
| P/E Ratio (net) (*) | 12.64 | 12.77 | 12.62 | 12.67 | 12.91 | 12.88 | 7.08 |
| Total bargains | 12,500 | 15,335 | 16,083 | 17,304 | 18,639 | 18,813 | 19,080 |
| Equity turnover £m. | — | 114.35 | 118.02 | 98.51 | 115.08 | 151.81 | 113.38 |
| Equity bargains | — | 12,571 | 12,204 | 13,139 | 14,802 | 16,063 | 13,457 |

10 am 525.3. 11 am 523.8. Noon 522.0. 1 pm 521.3. 2 pm 521.0. 3 pm 520.8.

Latest Index 01-246 8026.

* Nil=11.28.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

### HIGHS AND LOWS

| | 1981 High | 1981 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 70.61 (20/5) | 60.17 (26/10) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 72.01 (20/5) | 61.61 (26/10) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 597.3 (30/4) | 446.0 (14/1) | 597.3 (30/4/81) | 49.4 (26/6/40) |
| Gold Mines | 429.0 (14/9) | 262.6 (29/6) | 558.9 (22/9/80) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | Dec. 10 | Dec. 9 |
|---|---|---|
| —Daily | | |
| Gilt Edged Bargains | 161.0 | 166.9 |
| Equities Bargains | 81.4 | 79.1 |
| Value | 231.1 | 238.5 |
| 5-day Avrge. | | |
| Gilt-Edged Bargains | 182.4 | 185.3 |
| Equities Bargains | 88.7 | 90.4 |
| Value | 240.8 | 244.2 |

## NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

### NEW HIGHS (16)

BRITISH FUNDS (1)
Treasury 3pc '82

AMERICANS (2)
Fin Corp of America; Sun Co. Inc.

CANADIANS (1)
Trans. Canada Pipeline

BUILDINGS (1)
Tunnel B

STORES (1)
Heelamat

ELECTRICALS (1)
Nippon Elect.

ENGINEERING (1)
Utd. Wire

FOODS (1)
Pyke Hlds.

INDUSTRIALS (4)
Philips Patents; Ward (T. W.); Photo-Me; Wolseley-Hughes

INSURANCE (1)
Ins. Corp. of Ireland

TEXTILES (1)
Reliance Knitwear

MINES (1)
Kamunting

### NEW LOWS (18)

BRITISH FUNDS (6)
Exch. 14pc 1986; Treasury 12¼pc '93; Treasury 13pc 1990; Treasury 9½pc 1999; Treasury 11¾pc '91; Treasury 13pc 2000

CORPORATION LOANS (1)
London Corp. 9¼pc '84-85

COMMONWEALTH & AFRICAN LOANS (1)
N.Z. 7½pc 1988-92

BUILDINGS (2)
Allied Plant; Helical Bar

CHEMICALS (1)
Leigh Ints.

STORES (2)
Milletts; Raybeck

ENGINEERING (2)
Birmingham Mint; Spencer Clark

INDUSTRIALS (2)
Aero. and General; Cawdaw

TRUSTS (1)
Precious Metals

## RISES AND FALLS

| | Yesterday Rises | Yesterday Falls | Yesterday Same | On the week Rises | On the week Falls | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 1 | 86 | 4 | 16 | 398 | 40 |
| Corporations, Dom. and Foreign Bonds | 3 | 38 | 32 | 24 | 131 | 210 |
| Industrials | 160 | 235 | 980 | 1,178 | 1,138 | 4,480 |
| Financial and Props. | 48 | 133 | 327 | 494 | 600 | 1,446 |
| Oils | 30 | 28 | 49 | 154 | 121 | 280 |
| Plantations | 4 | — | 18 | 23 | 7 | 80 |
| Mines | 71 | 26 | 70 | 315 | 157 | 363 |
| Others | 90 | 26 | 39 | 362 | 166 | 228 |
| Totals | 407 | 572 | 1,499 | 2,566 | 2,716 | 7,089 |

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

| Stock | Closing price pence | Day's change | Stock | Closing price pence | Day's change |
|---|---|---|---|---|---|
| Allied-Lyons | 68 | − 2 | Richards | 18½ | − 1 |
| British Aerospace | 199 | − 2 | Royal Insurance | 340 | − 5 |
| Burmah Oil | 123 | − 2 | Scottish & Newcastle | 48½ | − 2½ |
| Exco | 176 | + 3 | Sotheby's | 410 | +15 |
| Lon. and O'seas Frtrs. | 55 | + 3½ | Tara Exploration | 525 | −30 |
| Prudential | 225 | — | Town and City | 30½ | + 2½ |

## THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

| Stock | No. of price changes | Thursday's closing price pence | Day's change | Stock | No. of price changes | Thursday's closing price pence | Day's change |
|---|---|---|---|---|---|---|---|
| Hardanger Prop | 19 | 108 | — | Grand Met | 13 | 184 | + 7 |
| Imp Cont Gas | 14 | 210 | +17 | Mothercare | 13 | 170* | + 8 |
| BP | 13 | 334 | + 8 | Cable & Wire | 12 | 210 | + 6 |
| Burmah Oil | 13 | 125 | + 2 | Guinness Peat | 12 | 96 | +11 |
| Carless Capel | 13 | 168 | + 3 | Hse of Fraser | 12 | 174 | +15 |
| GEC | 13 | 792 | + 4 | Ultramar | 12 | 506 | +13 |
| Glaxo | 13 | 418 | +10 | ICI | 11 | 288 | + 4 |

* Price at suspension.

## 5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

| Stock | No. of price changes | Thurs. closing price pence | Change on week | Stock | No. of price changes | Thurs. closing price pence | Change on week |
|---|---|---|---|---|---|---|---|
| Euro Ferries | 88 | 72½ | + 1½ | Racal Elec | 62 | 420 | + 3 |
| GEC | 86 | 792 | +14 | Westland | 60 | 111 | + 5 |
| Hse of Fraser | 76 | 174 | — | Beecham | 57 | 217 | + 9 |
| ICI | 76 | 288 | + 4 | Burmah Oil | 57 | 125 | + 4 |
| Cable & Wire | 75 | 210 | +15 | RTZ | 57 | 458 | + 8 |
| Plessey | 65 | 337 | + 7 | Glaxo | 56 | 418 | + 6 |
| Shell Trans | 65 | 416 | +20 | Eng China Clys | 55 | 157 | + 4 |

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Dec 14 | Dec 29 | Mar 25 | Apr 5 |
| Jan 4 | Jan 15 | Apr 15 | Apr 26 |
| Jan 18 | Jan 29 | Apr 28 | May 10 |

*For rate indications see end of Share Information Service*

Call options were taken out in Town and City Properties, Premier Oil, Royal Bank of Scotland, Target Petroleum, Rank Organisation, Eagle Star, Singlo, Alpine Holdings, Western Selection, KCA Drilling, C. H. Bailey, Trafalgar House, Woodside, BSG International, FNFC and Pan Pacific Petroleum. A put was done in Royal Bank of Scotland, while doubles were struck in Woodside, Pan Pacific Petroleum, and Royal Bank of Scotland.

## LONDON TRADED OPTIONS

Dec. 10 Total Contracts 1102. Calls 789. Puts 313.

| Option | Ex'rcise price | Jan. Closing offer | Jan. Vol. | April Closing offer | April Vol. | July Closing offer | July Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

C=Call P=Put

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

**Abbey Unit Tst. Mngrs. (a)**
72-80, Gatehouse Rd., Aylesbury 0296 5941

| | | | | |
|---|---|---|---|---|
| American Growth | 66.4 | 71.4 | +0.7 | 2.08 |
| Capital | [illegible] | 41.5 | -0.2 | 4.10 |
| (Accum. Units) | [illegible] | 53.7 | -0.2 | 4.10 |
| General | [illegible] | 63.8 | -0.6 | 4.81 |
| Gilt & Fixed Int. | [illegible] | 98.4 | -1.0 | 13.31 |
| Income | [illegible] | 39.6 | -0.1 | 8.66 |
| Worldwide Bond | 106.7 | 112.9 | +1.3 | 5.92 |
| Inv. Tst. Fd. | 51.0 | 55.1 | -0.3 | 4.36 |
| Equitas Prog. | 85.5 | 90.3 | -0.1 | 4.57 |

**Allen Harvey & Ross Unit Tst. Mngrs.**
45, Cornhill, London EC3V 3PB. 01-623 6314

| | | | | |
|---|---|---|---|---|
| AHR Gilt Trust | 82.4 | 86.7 | -0.9 | 14.00 |

**Allied Hambro Ltd. (a) (g)**
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds

| | | | | |
|---|---|---|---|---|
| Allied 1st | 90.4 | 96.7 | -0.2 | 5.52 |
| Brit. Inds. Fund | 76.7 | 82.1 | -0.2 | 6.50 |
| Growth & Income | 57.1 | 61.1 | -0.2 | 4.09 |
| Elect. & Ind. Dev. | [illegible] | 49.8 | -0.1 | 4.82 |
| Allied Capital | 98.0 | 104.9 | -0.4 | 4.76 |
| Hambro Fund | 134.2 | 143.6 | -0.3 | 5.86 |
| Hambro Acc. Fund | 197.0 | 210.8 | -0.9 | 4.74 |

Income Funds

| | | | | |
|---|---|---|---|---|
| High Yield Fd. | 64.7 | 69.2 | -0.2 | 9.19 |
| High Income | [illegible] | [illegible] | -0.1 | 7.24 |
| Equity Income Fd. | 47.5 | 50.8 | ..... | 7.26 |
| Cptl. Secs. | 22.4 | 23.0 | -0.2 | 13.85 |

International Funds

| | | | | |
|---|---|---|---|---|
| International | 37.2 | 39.8 | +0.4 | 2.31 |
| Japan Fund | [illegible] | 32.2 | +0.4 | 0.92 |
| Pacific Fund | 75.1 | 80.4 | +1.1 | 1.01 |
| Secs. Of America | 87.6 | 93.1 | +1.0 | 2.56 |

Specialist Funds

| | | | | |
|---|---|---|---|---|
| Smaller Co.'s Fd. | 57.1 | 61.1 | +0.2 | 3.85 |
| 2nd Smlr. Co's Fd. | 70.4 | 75.7 | +0.1 | 3.98 |
| Recovery | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

**Chieftain Trust Managers Ltd (a) (g)**
11, New St., EC2M 4TP. 01-283 2632

| | | | | |
|---|---|---|---|---|
| American (z) | 28.1 | 30.5 | ..... | 1.62 |
| Australian (z) | 24.6 | 25.7 | +0.3 | 0.94 |
| Far Eastern Tst. (z) | 43.7 | 47.4 | +0.4 | 1.20 |
| High Income | 33.5 | 36.3 | -0.1 | 12.41 |
| Intl. Trust (z) | 51.2 | 55.0 | +0.7 | 1.36 |
| Basic Resources Tst. | 50.0 | 54.3 | +0.1 | 2.08 |
| Incm. Growth Tst. | 24.3 | 26.4 | -0.1 | 8.47 |
| Pref. & Gilt Tst. | 18.8 | 20.4 | +0.1 | 15.63 |
| Smaller Co's Trust | 27.5 | 29.9 | -0.1 | 3.64 |

**Chesterton Fund Managers(g)**
57-63, Princess St., Manchester. 061-236 5685

| | | | | |
|---|---|---|---|---|
| Growth | 15.9 | 17.1 | +0.2 | 3.78 |
| International | 65.1 | 70.3 | +1.5 | 1.13 |
| High Income | 27.7 | 29.9 | ..... | 11.86 |

**Confederation Funds Mgt. Ltd. (a)**
50, Chancery Lane, WC2A 1HE. 01-242 0282

| | | | | |
|---|---|---|---|---|
| Growth Fund | 74.7 | 78.6 | ..... | 3.67 |

For Cosmopolitan see Chesterton Fund Managers.

**Craigmount Unit Tst. Mgrs. Ltd.**
Bucklersbury, London EC4N 8BD. 01-248 4984

| | | | | |
|---|---|---|---|---|
| High Income | 69.8 | 74.9 | +0.3 | 12.42 |
| North American | 62.1 | 67.1 | +0.7 | 2.55 |
| Canadian Energy* | 65.9 | 65.7 | ..... | 3.05 |
| Canadian Trust | 55.7 | 60.2 | +0.6 | 2.99 |
| Mid Mount High Inc.* | 44.3 | 46.9 | ..... | 10.23 |
| Recovery | 50.8 | 55.5 | ..... | 3.94 |
| Gilt Trust | 41.5 | 44.8 | +0.5 | 14.31 |

*Weekly dealing day Wednesday.

**Crescent Unit Tst. Mngrs. Ltd. (a)(g)**
4 Melville Cres., Edinburgh 3 031-226 4931

| | | | | |
|---|---|---|---|---|
| Cres. Amer. Fd. | 44.3 | 47.8 | +0.7 | 0.52 |
| Cres. Internat'l. | 92.0 | 99.3 | +0.9 | 1.51 |
| Cres. High. Dist. | 42.0 | 45.3 | +0.1 | 9.66 |
| Cres. Reserves | 50.9 | 54.9 | -0.2 | 5.46 |
| Cres. Tokyo | 41.1 | 44.3 | ..... | 0.28 |

**Burlington Unit Trust Mngt. Ltd.**
Bridge Chambers, Barnstaple, Devon 0271 76324

| | | | | |
|---|---|---|---|---|
| Total Perf. Unit Tst. | 23.1 | 24.5 | ..... | 8.98 |

**Discretionary Unit Fund Managers**
36/38 New Broad St, EC2M 1NU. 01-638 4485

| | | | | |
|---|---|---|---|---|
| Disc. Inc. Dec. 4 | 240.4 | 256.4 | ..... | 5.21 |

**E. F. Winchester Fund Mngt. Ltd.**
44, Bloomsbury Square, WC1A 2RA 01-623 8893

[illegible]

## INSURANCE PROPERTY BONDS

[illegible]

### NOTES

[illegible]

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

| 1981 High | Low | Stock | Price £ | + or - | Int. | Red. Yield |
|---|---|---|---|---|---|---|
| 98¼ | 92¼ | Aust. 5½pc '81-82 | [illegible] | ..... | 5.60 | 14.67 |
| 87½ | 82½ | Do. 6pc 1981-83 | [illegible] | +½ | 7.06 | 15.02 |
| 67¾ | 57½ | N.Z. 7½pc 1988-92 | 57¾ | -¼ | 12.49 | 15.45 |
| 81¾ | 74 | Do. 7½pc '83-86 | [illegible] | -¼ | 10.94 | 15.49 |
| 141 | 115 | S. Rhod. 2½pc Non-Ass. | 139 | -1 | — | — |
| 61 | 43 | Do. 3½pc 80-85 Assd. | 57 | +1 | 6.23 | 21.00 |
| 43 | 26 | Do. 4½pc 87-92 Assd. | 34 | +½ | 13.25 | 20.50 |
| 395 | 320 | Zimbabwe Ann (£100ps) | 356 | +3 | — | 24.88 |

## LOANS

Public Board and Ind.

Financial

Building Societies

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## CANADIANS—Continued

## BANKS AND HIRE PURCHASE

Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## BUILDING INDUSTRY—Contd.

## CHEMICALS, PLASTICS

## DRAPERY AND STORES

## ELECTRICALS

## ELECTRICALS—Continued

## ENGINEERING MACHINE TOOLS

## FOOD, GROCERIES, ETC.

## FOOD, GROCERIES—Cont.

## HOTELS AND CATERERS

## INDUSTRIALS (Miscel.)

## INDUSTRIALS—Continued

| 1981 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 62 | 36 | Hinsey & Tomson 20p | 44 | ...... | 1.4 | — | 4.5 | — |
| 29 | 18 | Hawkins & Tipson | 19½ | ...... | 1.0 | — | 7.7 | — |
| 13 | 5¾ | Hawtin 5p | 6 | +¼ | 0.25 | — | 6.0 | — |
| 69 | 53 | Hay (Norman) 10p | 53 | ...... | 3.1 | 0.9 | 8.4 | 19.5 |
| 139 | 88 | Hepworth Cmc. | 100 | ...... | 5.25 | 1.4 | 7.5 | 12.6 |
| 48 | 22 | Hestair | 35 | ...... | †1.0 | 4.3 | 4.1 | 6.2 |
| 71 | 40 | Hewlett (J.) | 48 | +1 | †1.8 | 5.2 | 5.4 | 4.4 |
| 50 | 25 | Highgate & Job 50p | 38 | ...... | — | — | — | — |
| 162 | 40 | Hill (Chas.) £1 | 145 | −3 | — | — | — | — |
| 37 | 16 | Hirst MaFson 20p | 31 | ...... | ♦0.1 | — | 0.5 | — |
| 116 | 86 | Holden (A.) | 102xd | ...... | 5.0 | 2.2 | 7.0 | 7.7 |
| 47 | 24 | Hollis Bros. | 26 | ...... | — | — | — | — |
| 77 | 49 | Holt Lloyd Int. 10p | 52 | +2 | 3.17 | 1.5 | 8.7 | 9.6 |
| 163 | 68 | Hoover 'A' | 70 | +2 | ‡6.0 | — | ‡ | — |
| 133 | 39 | Hoskins & H 20p | 107 | ...... | †2.0 | — | 2.7 | — |
| 76 | 48 | Howard Tenens | 59 | ...... | ‡1.55 | 0.6 | ‡ | 64.9 |
| 420 | 210 | Hunting Assoc. | 210 | ...... | 5.0 | 5.3 | 3.4 | 5.3 |
| 160 | 75 | Huntleigh 10p | 98 | ...... | †1.5 | 4.2 | 2.2 | 11.9 |
| 226 | 120 | Hutch Whamp $HK1 | 167 | −2 | ‡034c | 2.7 | 1.9 | 21.2 |
| 15 | 9 | Hyman (I. & J.) 5p | 13 | ...... | ‡0.83 | 0.1 | ‡ | — |
| £20⅞ | £12⅞ | I.C. Industries$1 | £13⅝xd | −⅛ | Q$2.20 | — | 6.0 | — |
| 78 | 25 | ICL | 47 | −4 | ‡2.97 | — | ‡ | — |
| 44 | 35 | Ingall Inds. 10p | 38½ | ...... | 2.5 | 1.3 | 9.3 | 11.6 |
| 251 | 180 | Initial Services | 244 | ...... | †9.0 | 2.5 | 5.3 | 10.1 |
| 23 | 9 | Inter-City 20p | 20½ | ...... | — | — | — | — |
| 102 | 39 | J. B. Holdings 10p | 102 | ...... | †3.0 | 4.9 | 4.2 | 6.6 |
| 192 | 110 | Jacksons Bourne | 158 | ...... | 5.0 | 1.4 | 4.5 | 29.3 |
| 27 | 12 | James (M.) Ind. 10p | 23 | ...... | †1.0 | 3.3 | 6.4 | 5.3 |
| 248 | 118 | Jardine M. $HK5 | 178 | −2 | †Q80c | 2.0 | 4.6 | 11.1 |
| 25½ | 15 | Jentique | 21½ | ...... | 1.3 | 0.1 | 8.6 | — |
| 257 | 152 | Johnson Clears. | 214 | +1 | †7.0 | 3.4 | 4.7 | 7.0 |
| *300 | 186 | Johnson Mthy. £1 | 273xd | ...... | 9.5 | 2.3 | 5.0 | (8.3) |

## INSURANCE—Continued

| 1981 High | Low | Stock | Price | + or − | Div. Net |
|---|---|---|---|---|---|
| £20¾ | £12⅝ | Marsh McLen'n $1 | £19 | +⅛ | Q$2.00 |
| 156 | 84 | Minet Hldgs. 20p | 153 | +1 | †6.55 |
| 21 | 21 | Moran (Chris) 20p | 21# | ...... | — |
| 472 | 366 | Pearl 5p | 418 | −2 | †20.0 |
| 320 | 236 | Phoenix | 242 | −2 | †14.9 |
| 342 | 186 | Provident | 335 | ...... | ♦11.4 |
| 257 | 206 | Prudential | 225 | ...... | †11.0 |
| 274 | 194 | Refuge 5p | 232 | −2 | †12.3 |
| *425 | 332 | Royal | 390 | −5 | †24.0 |
| 199 | 104 | Sedgwick 10p | 144 | +1 | †5.0 |
| 102 | 79 | Stenhouse | 93 | ...... | 4.65 |
| 241 | 180 | Stewart Wr. 20p | 228 | ...... | 12.0 |
| £10⅝ | 688 | Sun Alliance £1 | 840 | −10 | †33.0 |
| 345 | 233 | Sun Life 5p | 313 | ...... | 99.0 |
| 772 | 543 | Taisho Mar. EDR | 763 | +10 | Q10% |
| 208 | 170 | Trade Indemnity | 178 | ...... | 16.34 |
| £27½ | £15¾ | Travelers $2.50 | £24⅝ | +⅛ | Q$2.88 |
| 403 | 257 | Willis Faber | 365 | ...... | †12.0 |

## LEISURE

| 1981 High | Low | Stock | Price | + or − | Div. Net |
|---|---|---|---|---|---|
| 63½ | 56 | A-R TV Pref. £1 | 57 | ...... | 5.95 |
| 97 | 72 | Anglia TV 'A' | 94 | −1 | †5.0 |
| 148 | 75 | Assoc. Leisure 5p | 81 | ...... | 5.25 |
| 84½ | 48 | Barr & W.A.T. 'A' | 54 | ...... | ‡3.0 |
| 65 | 30 | Black Edgtn. 50p | 46 | ...... | 1.0 |
| 192 | 121 | Boosey & Hawkes | 129 | ...... | 5.67 |
| 56 | 32 | Campari Int. 20p | 43 | ...... | 3.1 |
| 60 | 32 | Fairline Boats 10p | 33 | ...... | d1.0 |
| 58 | 29 | Glasgow Pavilion 10p | 48 | ...... | — |
| 46 | 32 | Grampian TVA 10p | 32xd | −2 | 2.75 |
| 103 | 74 | HTV Non/Vtg. | 100 | −1 | 10.0 |

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING ADVERTISING

## PROPERTY

## INSURANCE

## PROPERTY—Continued

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## INVESTMENT TRUSTS—Cont.

### Finance, Land, etc.

## OIL AND GAS

## OIL AND GAS—Continued

## OVERSEAS TRADERS

## RUBBERS AND SISALS

## TEAS

### India and Bangladesh

### Sri Lanka

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Finance

### Diamond and Platinum

### Central African



## MINES—Continued

### Australian

### Tins

### Copper

### Miscellaneous

| 1981 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 25½ | 12 | Burma Mines 10p | 15 | ...... | 0.75 | 6.9 | 7.1 |
| 330 | 85 | Colby Res. Corp. | 130 | ...... | — | — | — |
| 330 | 200 | Cons. Murch. 10c. | 320 | ...... | Q60c | ♦ | 10.7 |
| 10 | 6 | ‡‡Exploura Gold | 6 | ...... | — | — | — |
| 98 | 47 | ††Hemerdon 10c. | 65 | ...... | — | — | — |
| 180 | 65 | Highwood Res. | 80 | ...... | — | — | — |
| 505 | 260 | Northgate C$1 | 275 | +5 | — | — | — |
| 633 | 372 | R.T.Z. | 460 | −8 | 16.0 | 2.9 | 5.0 |
| £138½ | £93½ | Do.9¼%Cv.Ln.'95-2000 | £99½ | −1½ | Q9½% | — | 10.0 |
| 103 | 13 | ††SPD Minerals 10p | 24 | ...... | — | — | — |
| 47 | 17 | Sabina Inds. C$1 | 18 | −1 | — | — | — |
| 44 | 21 | ‡Southwest C. 10p | 28 | ...... | — | — | — |
| 650 | 465 | Tara Expls. $1 | 525 | −30 | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- § USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- $ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

¥¥ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| Stock | Price | + or − |
|---|---|---|
| Albany Inv. 20p | 41 | ...... |
| Bertrams | 27 | ...... |
| Bdg'wtr. Est. 50p | 410 | ...... |
| Craig & Rose £1 | £13xd | ...... |
| Finlay Pkg. 5p | 25½ | ...... |
| Graig Ship. £1 | £18 | ...... |
| Higsons Brew. | 73 | ...... |
| Holt (Jos) 25p | 515 | ...... |
| I.O.M. Stm. £1 | 150 | ...... |
| Pearce (C. H.) | 110 | −5 |
| Peel Hldgs. | 116 | ...... |
| Sheff. Refrshmt | 85xd | ...... |
| Sindall (Wm.) | 190 | ...... |

| IRISH | Price | + or − |
|---|---|---|
| Conv. 9% '80/82 | £93⅝ | ...... |
| Nat. 9¾% 84/89 | £78 | ...... |
| Fin. 13% 97/02 | £78⅞ | ...... |
| Alliance Gas | 77 | −3 |
| Arnott | 340 | ...... |
| Carroll (P.J.) | 82 | ...... |
| Concrete Prods. | 90 | ...... |
| Heiton (Hldgs.) | 25 | +½ |
| Irish Ropes | 38 | ...... |
| Jacob | 67 | ...... |
| T.M.G. | 16 | ...... |
| Unidare | 56 | ...... |

## OPTIONS

### 3-month Call Rates

| Stock | | Stock | | Stock | |
|---|---|---|---|---|---|
| B.A.T. | 28 | "Imps" | 11 | Town & City | 2½ |
| Brown (J.) | 8 | Mrks. & Spncr | 10 | **Oils** | |
| Burton Ord. | 12 | Midland Bank | 25 | Brit. Petroleum | 28 |
| Cadburys | 8 | N.E.I. | 7 | Burmah Oil | 11 |
| Courtaulds | 5½ | Nat. West. Bank | 28 | Charterhall | 6 |
| Debenhams | 7 | P & O Dfd. | 9 | KCA | 19 |
| Distillers | 16 | Plessey | 25 | Premier | 7 |
| Dunlop | 6½ | Racal Elect. | 33 | Shell | 38 |
| Eagle Star | 25 | R.H.M. | 7 | Tricentrol | 25 |
| F.N.F.C. | 4 | Rank Org. Ord. | 10 | Ultramar | 40 |
| Gen. Accident | 30 | Reed Intnl. | 23 | **Mines** | |
| Gen. Electric | 55 | Sears | 5 | Charter Cons. | 21 |
| Glaxo | 32 | Tesco | 5 | Cons. Gold | 40 |
| Grand Met. | 15 | Thorn EMI | 30 | Lonrho | 7 |
| G.U.S. 'A' | 30 | Trust Houses | 11 | Rio T. Zinc | 45 |
| Guardian | 30 | Tube Invest. | 12 | | |
| G.K.N. | 12 | Turner & Newall | 7½ | | |
| Hawker Sidd. | 25 | Unilever | 50 | | |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday December 12 1981



# Opec to cut crude oil price

BY RICHARD JOHNS IN ABU DHABI AND RAY DAFTER IN LONDON

THE ORGANISATION of Petroleum Exporting Countries last night cut the price of much of its crude oil output by 20 to 70 cents a barrel.

The move, according to initial industry estimates, could reduce the average price of Opec output by 10 to 15 cents a barrel—a response to the continuing weak market for crude but probably insufficient to trigger reductions in the cost of petrol and other refined products.

As part of a muddled compromise over the realignment of oil prices, the Opec ministers agreed at their Abu Dhabi meeting that the basic reference price should remain at $34 a barrel.

The reference is based on Saudi Arabia's Arab Light oil — the most heavily-traded Opec crude which accounts for just over 25 per cent of the organisation's sales.

Producers of relatively heavy grades of oil — those with a specific gravity of about 31 degrees — are reported to be cutting their selling prices by 70 cents a barrel to $32.30. Exporters of such crude include Saudi Arabia, Kuwait and Iran.

Abu Dhabi — part of the United Arab Emirates — and Qatar are understood also to have decided to reduce the price of its lighter crudes by 20 cents a barrel.

But the ministerial conference failed to establish a common base price for the high-quality, light, sulphur-free crudes produced by Algeria, Libya and Nigeria.

The producers have always charged a premium for their exports to reflect not only the quality of their crudes but the nearness to major markets.

All that could be agreed was that the permissible premium above Saudi Arabia's reference price should remain between $3 and $4 a barrel. Nigeria—desperate for revenue—however refused to raise its selling price of $36.50 to narrow the gap with the $37.50 charged by Algeria and Libya.

The price of North Sea oil —similar in quality to the African crudes—is unlikely to be changed. British National Oil Corporation, the UK price leader, said it would not take a decision until the Opec pricing package had been clarified.

One of the most unexpected developments at the prolonged Abu Dhabi conference was an Iranian proposal to reduce the price of its medium grade crude by $1 to $32 a barrel. The position taken by Mr Mohammed Ghazari, the Iranian Minister of Oil, seemed to be a reversal of Teheran's previous insistence on the highest possible prices.

The proposal was seen by other delegates as a bid to boost Iranian exports from about 1m barrels a day to nearer 2m b/d. Iran is troubled by a rundown in its foreign exchange reserves.

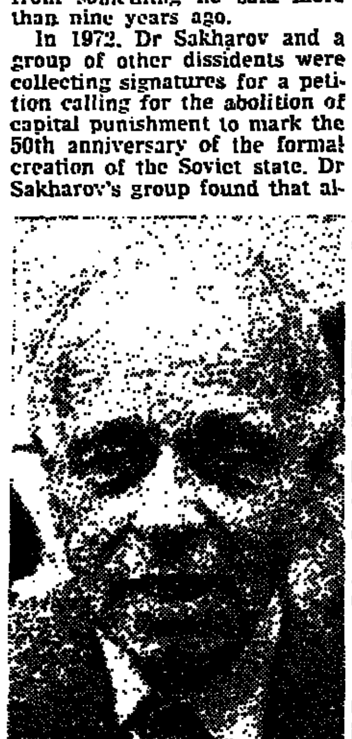
## MAN IN THE NEWS

# A match for the Soviets

BY DAVID SATTER

THE SUCCESS of Dr Andrei Sakharov, the Soviet dissident leader, in winning the freedom of Liza Alexeyeva to join her hubsand in the United States has stunned Moscow. But that Dr Sakharov would some day take such a determined personal stand might have been predicted from something he said more than nine years ago.

In 1972, Dr Sakharov and a group of other dissidents were collecting signatures for a petition calling for the abolition of capital punishment to mark the 50th anniversary of the formal creation of the Soviet state. Dr Sakharov's group found that although many prominent persons sympathised with the idea of the petition, very few were prepared to sign it and this situation led one of the dissidents to suggest that they compile, in addition to the list of petition signers, a list of those who *refused*.



**Andrei Sakharov**
*Pitted against a totalitarian regime*

Dr Sakharov's objections defeated the plan. He said that although it was disappointing that people were not willing to commit themselves publicly, publishing the names of those who declined would amount to an attempt to force them to do under pressure what they would not have done freely. Since he rejected the use of force against himself, he could hardly condone its use against others.

Even before he was exiled in January, 1980, to Gorky, the closed city on the Volga River, 250 miles east of Moscow, Dr Sakharov had felt concerned by the forcible detention of Liza Alexeyeva in the Soviet Union and he often expressed his fear that the Soviet authorities were using the situation of Miss Alexeyeva to take revenge on him.

Miss Alexeyeva was engaged to Dr Sakharov's stepson, Alexei Semyonov but when Mr Semyonov emigrated in March, 1978 to the United States her own attempts to emigrate were met with endless bureaucratic obstacles.

She found it impossible to receive an invitation from abroad, the necessary first step in the bureaucratic process and then could not get necessary certificates from the superintendent of the building where she lived or from her parents. Finally, when the whole series of documents was collected, her application to emigrate was refused and Soviet officials urged her to abandon the attempt. At the same time, she became the subject of personal attacks in the Soviet Press.

The situation of Miss Alexeyeva may have also been on Dr Sakharov's mind when he was subjected to another example of the use of force in March of this year when his manuscripts, notebook and scientific papers were stolen from his closely guarded apartment in Gorky while he was out for a walk. Dr Sakharov accused the KGB of trying "to rob me of memory" and he was said to be distressed by his isolation and vulnerability in Gorky.

In June, Miss Alexeeva and Mr Semyonov were married in a proxy ceremony valid under the laws of the U.S. State of Montana. When Miss Alexeeva continued to be refused permission to emigrate, Dr Sakharov decided that he would make his stand and would resist the use of force against him with the only means at his disposal: a hunger strike.

The fact that Miss Alexeeva now appears to be on the verge of being allowed to emigrate can be attributed only to the way in which the Soviet authorities calculate their own advantage and Dr Sakharov's determination to resist compulsion but it has a wider meaning for those outside the Soviet Union too. The willingness of individuals to resist can still be a limit to the power even of a totalitarian state.

### DOUGLAS-MANN SETS BY-ELECTION POSER FOR SDP

# Two MPs quit Labour

MR BRUCE DOUGLAS-MANN, Labour MP for the marginal south London constituency of Merton, Mitcham and Morden, yesterday put the Labour Party and the Social Democrats in an embarrassing position by resigning from the former and declaring his intention of fighting a by-election.

He said he would prefer to fight it as the official SDP candidate, but if the party would not back him, he would stand as an independent Social Democrat.

At the same time, Mr Jeffrey Thomas, MP for Abertillery—one of the safest Labour seats in Britain—confirmed he was leaving Labour and joining the SDP.

The defections are a further blow to Mr Michael Foot, the Labour leader, who had hoped to stem the tide towards the Social Democrats by his moves against extremists in the party.

But his disappointment will be tempered by the difficulties Mr Douglas-Mann has created for the SDP.

His declaration, made without any consultation with the SDP, raises the possibility of two Social Democrats fighting the by-election, in a seat which otherwise they would have been fairly confident of winning. Mr Douglas-Mann's majority at the general election was 618.

None of the other 25 Labour MPs who have gone across to the SDP have fought by-elections, and last night there was a distinct coolness towards Mr Douglas-Mann among the SDP leadership. One senior party member said his move was "self-indulgent."

It will be left to the local SDP party in Merton to decide whether to accept Mr Douglas-Mann as its candidate.

If the local party decided not to back him, the SDP said yesterday it was "likely" that an official candidate would run against him.

The local party last night was considering whether to let Mr Douglas-Mann join the party as a preliminary to considering his request to stand as their candidate, but local SDP members were saying that they already had a number of suitable candidates under consideration, and that Mr Douglas-Mann should have discussed the situation before making his move.

The local party may insist that he renounces his idea of standing as an independent Social Democrat before allowing his name to go forward for selection as the official SDP candidate.

Yesterday, however, Mr Douglas-Mann was adamant that he would fight the by-election. He said his position was different from that of other Labour defectors in that he had changed his view on the Common Market since 1979. Whereas before he was against it, he now supported UK membership of the EEC.

# Lonrho considers bid pledge

By John Moore

LAWYERS and legal counsel retained by Lonrho, the international trading conglomerate, were studying the implications yesterday of the undertakings Lonrho has to give to the Office of Fair Trading that it will not proceed with its bid for House of Fraser.

Lonrho said last night that it hoped to complete the formalities early next week when it hoped to have further talks with the OFT. House of Fraser shares fell 4p to 170p yesterday.

The undertakings have been sought by the Fair Trading office in the wake of Wednesday's Monopolies and Mergers Commission report and Department of Trade ruling blocking the takeover of House of Fraser, the stores group which owns Harrods.

These undertakings ask Lonrho not to acquire any more shares in House of Fraser or to do anything which would give Lonrho more influence over the stores group than it already has. Lonrho has not been asked to reduce its crucial 29.99 per cent holding in Fraser.

Neither the Government nor the Stock Exchange appears to be probing the Fraser share price movements or the identity of the mystery buyer, which on Thursday placed an order for 7m shares in House of Fraser. That prompted speculation that Lonrho interests were behind the deal.

The buyer failed in its attempts since House of Fraser's share price was supported by its stockbrokers, Cazenove. Only about 5,000 shares were acquired.

Onlooker, Page 4
Weekend Brief, Page 13

# Haig team agrees on truce terms to end EEC steel exports row

BY GILES MERRITT IN BRUSSELS

TERMS FOR a truce in the transatlantic steel dispute are to be put to U.S. and EEC steelmakers by Mr Malcolm Baldrige, the U.S. Commerce Secretary, and Viscount Etienne Davignon, the EEC Industry Commissioner.

The initiatives stem from high-level meetings held in Brussels yesterday to ease U.S.-EEC trade tensions. The unprecedentedly strong U.S. team was led by Mr Alexander Haig, the Secretary of State, and included Mr John Block, the Agriculture Secretary, and Mr Bill Brock, the Special Trade Representative.

The new bid to head off protectionist moves by U.S. steel producers against surging EEC exports will entail a fresh attempt by Mr Baldrige to persuade steelmakers ranged behind U.S. Steel to hold back their anti-dumping suits against EEC competitors.

In return, Viscount Davignon is to urge the European steel industry to respect the U.S. "trigger" price mechanism, effectively a floor price for U.S. steel imports.

*The move towards a settlement* of the steel issue came at a chance meeting between Mr Baldrige and Viscount Davignon at snow-bound Heathrow Airport.

During their discussion, Mr Baldrige made it plain that the Reagan Administration does not see any form of European self-restraint on steel exports to the U.S. as a solution to the problem. Only an undertaking by EEC steelmakers to respect the integrity of the "trigger" price mechanism, now being massively flouted, would be acceptable to the U.S.

Mr Baldrige warned he could not guarantee that U.S. steel companies would delay the anti-dumping cases which, once lodged, could reduce EEC steel *sales in the U.S. from their present* level of 500,000 tonnes a month to practically nothing.

But he will exert pressure to win a delay and give M. Davignon time to explain to EEC steelmakers that observance of the "trigger" price mechanism now appears essential if a U.S.-EEC confrontation is to be averted. M. Davignon plans to *meet EEC steel producers* before Christmas.

Continued from Page 1

# Interest rates

The Bank of England reacted cautiously by increasing its intervention rates in money markets by less than the rise in rates generally.

However, the key seven day inter-bank rate — which banks watch when moving their base rates — rose by only ¼ of a percentage point to 15 per cent. It would have to rise by another half percentage point before the banks come under serious pressure to increase base rates.

● Amid the most severe strains in the EMS since the D-Mark revaluation two months ago, *Belgium's Central Bank* increased its discount rate and Lombard rates by 2 percentage points to 15 per cent and 17 per cent respectively. The Belgian franc remained weak in spite of the emergency action with market speculation rampant that it will have to *be devalued soon. It was close* to its lowest permitted EMS levels against the Danish krona, French franc and Dutch guilder.

● The rise in international interest rates led to further substantial declines on the bond markets, led by New York. UK gilt edged prices fell by up to a point and the FT Government Securities Index closed down 0.72 at 62.73, its lowest level for over four weeks.

Continued from Page 1

# Libya

Ronald Reagan might take them to court to force them to evacuate the 1,500 U.S. citizens in Libya.

In Brussels, Mr Alexander *Haig, U.S. Secretary of State,* left the door open for further action after U.S. citizens were evacuated and were free from reprisals, saying he did not rule out further steps against Col Muammer Gadaffi.

Mr Caspar Weinberger, the U.S. Defence Secretary, said last night in London that the U.S. Sixth Fleet in the Mediterranean was ready to evacuate Americans from Libya, if necessary.

# Building societies hit hard

BY MICHAEL CASSELL

BUILDING SOCIETY receipts fell in November to the lowest level for five years. Many *societies recorded a net outflow* of funds.

Figures from the Building Societies Association yesterday confirmed the worst fears about *the societies' performance* last month.

Despite the higher interest rates introduced at the start of November, investors withdrew a record £2.15bn, leaving net receipts of £65m, the lowest total since December, 1976.

The very low figure means that large numbers of building *societies, of every size,* handed out more money than they managed to take during November. There are signs of some improvement in early December, though the pattern could be disrupted by last-minute Christmas spending. In December 1980 net receipts were £472m.

Mr Richard Weir, secretary-general of the association, said the magnitude of societies' outflow of funds was "comfortably containable," particularly since they were experiencing a high level of mortgage repayments.

Redemptions by borrowers refinancing home loans at the banks added to the societies' liquidity, Mr Weir added. Because of these redemptions societies' liquidity ratios have risen, despite low or non-existent inflow of funds.

The societies pin most blame for poor receipts squarely on the Government. Mr Weir said: "The generous tax-free and, in some cases, index-linked returns offered by the Government through National Savings are responsible for a major part of *the decline.*"

Though pattern of demand for mortgages remains mixed and is further distorted by banks' growing penetration into home loans, the societies still have a high lending programme.

Gross advances last month rose marginally over October's to £961m, though new mortgage commitments fell to £858m, lowest since January. The societies' net advances, the figure struck after subtracting funds made available for re-lending via mortgage repayments, were £472m, against the banks' estimated current net advances of about £300m.

The societies expect their gross lending this year to be £12bn, against £9.6bn in 1980.

## Weather

### UK TODAY

MOSTLY dry with sunny periods, cold, scattered wintry showers.

***London, Midlands, N. England***
Sunny periods, scattered wintry showers. Max 1C (34F).

**S.W. England, Channel Is.**
Sunny, isolated *showers. Max* 3C (37F).

**Most of Scotland and Borders**
Sunny, some heavy showers, very cold. Max −1C (30F).

**S.W. Scotland, Glasgow, Argyll, N. Ireland**
Freezing fog patches, clearing slowly. Max −1C (30F).

**Outlook:** Snow showers on Sunday and Monday, widespread frost and freezing fog patches.

### WORLDWIDE

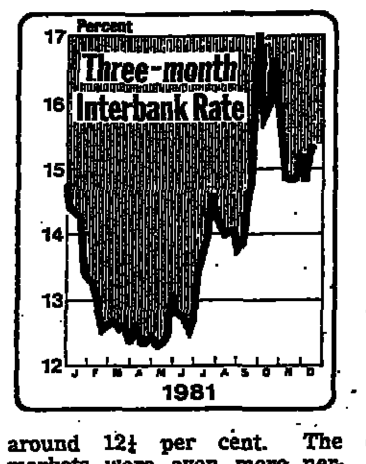
| | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | C | 15 | 59 | L. Ang.† | C | 14 | 57 |
| Algiers | S | 19 | 66 | Luxmbg. | Fg | 0 | 32 |
| Amsdm. | Sn | 0 | 32 | Luxor | — | — | — |
| Athens | C | 16 | 61 | Madrid | F | 14 | 57 |
| Bahrain | — | — | — | Majorca | S | 20 | 68 |
| Barclna. | C | 19 | 66 | Malaga | F | 20 | 68 |
| Beirut | S | 19 | 66 | Malta | F | 18 | 64 |
| Belfast | S | −3 | 27 | M'chstr. | F | −2 | 28 |
| Belgrd. | R | 6 | 43 | Melbne. | — | — | — |
| Berlin | C | −1 | 30 | Mx. C.† | — | — | — |
| Biarritz | R | 13 | 55 | Miami† | F | 4 | 39 |
| Bmghm. | Sn | −2 | 28 | Milan | R | 3 | 37 |
| Blackpl. | F | −2 | 28 | Montrl.† | Sn | −3 | 27 |
| Bordx. | C | 13 | 55 | Moscow | Sn | −3 | 27 |
| Boulgn. | R | 2 | 36 | Munich | C | 1 | 34 |
| Bristol | Sn | 0 | 32 | Nairobi | — | — | — |
| Brussels | C | 2 | 36 | Naples | C | 14 | 57 |
| Budpst. | C | 1 | 34 | Nassau | — | — | — |
| Cairo | — | — | — | Nwcstl. | Sn | −3 | 27 |
| Cardiff | C | 1 | 34 | N York† | C | −1 | 30 |
| Cas'b'ca | C | 20 | 68 | Nice | F | 14 | 57 |
| Cape T | — | — | — | Nicosia | — | — | — |
| Chicg.† | F | −8 | 18 | Oporto | C | 16 | 61 |
| Cologne | Sl | 1 | 34 | Oslo | F | −9 | 16 |
| Cpnhgn. | C | −2 | 28 | Paris | R | 5 | 41 |
| Corfu | C | 16 | 61 | Perth | — | — | — |
| Denver† | — | — | — | Prague | — | — | — |
| Dublin | C | −1 | 30 | Reykjvk. | S | −9 | 16 |
| Dbrvnk. | — | — | — | Rhodes | F | 17 | 63 |
| Ednbgh. | S | −3 | 27 | Rio J'o† | — | — | — |
| Faro | F | 20 | 68 | Rome | C | 19 | 61 |
| Florence | C | 13 | 55 | Salzbrg. | F | 3 | 37 |
| Frankft. | Sn | 1 | 34 | S F'cisc† | | — | — |
| Funchal | S | 20 | 68 | S. Moritz | | — | — |
| Geneva | R | 8 | 46 | Singapr. | | — | — |
| Gibraltar | R | 18 | 64 | S'tiago† | | — | — |
| Glasg'w | Fg | −3 | 27 | Stckhm. | F | −7 | 19 |
| G'nsey | C | 6 | 43 | Strasbg. | R | 4 | 39 |
| Helsinki | S | −15 | 5 | Sydney | — | — | — |
| H. Kong | — | — | — | Tangier | C | 18 | 64 |
| Innsbrk. | C | −1 | 30 | Tel Aviv | | — | — |
| Invrnss. | S | −3 | 27 | Tenerife | S | 23 | 73 |
| I.o.Man | — | — | — | Tokyo | — | — | — |
| Istanbul | F | 15 | 59 | T'ronto† | C | −4 | 25 |
| Jersey | C | 7 | 45 | Tunis | F | 21 | 70 |
| Jo'burg | — | — | — | Valencia | F | 19 | 66 |
| L. Plms. | F | 22 | 72 | Venice | C | 7 | 45 |
| Lisbon | F | 18 | 64 | Vienna | C | 2 | 36 |
| Locarno | R | 3 | 37 | Warsaw | S | −4 | 25 |
| London | Sn | 1 | 34 | Zurich | R | 3 | 37 |

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.
† Noon GMT temperatures.

## THE LEX COLUMN

# Frostbite in the money markets

### Index fell 5.3 to 520.2




A week ago interest rates looked to be pointing, if not actually moving, quite comfortably downwards. But there is nothing comfortable about the position now: the Treasury bill rate up more than ¾ point on *the week, three-month* interbank rates up a similar amount to 15½ per cent, and sterling down six cents to $1.88.

Much of the pressure has come from the U.S., where the financial markets have turned much less friendly. At home there has been uncomfortable labour news: the sound of miners' muscles flexing, and a settlement with local authority manual workers, supposedly a "weak" section of the labour force, that makes the Government's cash limits look silly.

So foreign confidence in sterling has begun to suffer, dragging money rates up and opening a wide gap between the interbank deposit market and the levels at which the Bank of England was buying bills. A disappointing set of banking figures in mid-week reinforced the gloom, and yesterday the Bank of England accepted the upward move in market rates by letting its bill-buying rates drift up slightly.

That does not look like a signal that the Bank actually wants to see rates rise further, *and indeed the clearing banks'* brand new 14½ per cent base rates are probably safe for a while, although they are clearly beginning to get out of line with the money markets.

The gilt-edged market is taking up a very defensive posture, especially at the short end where there seems to have been some distress selling of the tap, Exchequer 14 per cent 1986. Yields in this area of the market have moved above 16 per cent, and they are a quarter point higher in some of the high *coupon mediums.*

### U.S. interest rates

The Federal Reserve appears *to have called a halt* to the weakening in U.S. iterest rates, at least for the time being. With real output still falling, the Fed cannot easily afford to burden the economy further with a more restrictive monetary stance. But the New York money markets are now less confident that the recent cut in the Fed discount rate to 12 per cent will allow Federal Funds to steady around the 11 per cent level.

The Funds rate almost touched that figure last Friday *but yesterday afternoon* it was standing a full point higher at around 12¼ per cent. The markets were even more nervous than usual in advance of money supply figures which were expected to show a worrying rise. In particular, M-2 looks in danger of moving through the top of the Fed's long term range.

The view that the Fed will *be taking at best a* neutral position until the output and consumer spending picture become clearer has also taken hold of the debt markets, where long Government bond prices showed a fall of over four points on the week.

The Fed was probably not helping matters by providing the market with fairly confus*ing signals, particularly on* Thursday, but there is a broad consensus that the recent rally is unlikely to be re-established before Christmas. Apart from anything else, a recovery would bring more borrowers to the market (this week's proposed bond calendar has been cut back sharply) and tempt dealers to offload what must be an uncomfortable level of unsold stock. The Fed provided some relief this week when it bought an estimated $1bn or more of long bonds, but dealers are finding it hard to locate retail buyers after the recent flurry of new issue activity.

### J and FB

After the £2.7m pre-tax loss in the first half, Johnson and Firth Brown has managed to produce a profit in the second six months—albeit of a modest £140,000. But this owes nothing to a recovery in demand; it reflects the painful reduction of the scale of operations to a viable level earlier in the year. *The volume of orders from* Rolls-Royce remains very depressed, and this accounts for perhaps a fifth of the steel division's business. However, there are some signs of a pick up in demand for general engineering and North Sea products. Whether this will survive the steel price rises initiated by BSC—which look likely to stick —is more problematical.

Elsewhere the disposal of two steel wire plants in March has eliminated £700,000 of first-half losses in rod and wire, and rationalisation in the other businesses in this division has produced further benefits—to the tune of £800,000 or so in the *second half.*

Group gearing remains uncomfortable, with net debt standing at 75 per cent of shareholders' funds. But more disposals are likely to provide the cash to finance any upturn. The shares rose 1p yesterday to 18p, and a real dividend payout seems some way off. But repayment of the £7m loan stock in June looks pretty safe — and it offers a 30 per cent yield to redemption.

### Tozer/Rank

Tozer Kemsley's circular on the sale of its travel companies to the Rank Organisation underlines what an excellent deal it has pulled off. The travel businesses were bought in the mid-1970s for somewhat less than £½m, and the goodwill in the cash sale price of £14.6m amounts to £13.4m. Rank is paying about 11½ times forecast fully-taxed earnings, which is the kind of rating enjoyed by Horizon Travel. And in a cyclical industry, the squeeze on consumer spending means that profits are likely to drop—possibly significantly—next year. In such circumstances, two leased Boeing 737s could prove less than attractive.

The Rank Organisation share price has been moving ahead in recent weeks, but not because it is thought that the company has successfully converted its cash into a healthy earnings stream. Not for the first time investors seem to have taken to musing about the possibility of Rank's assets moving into more forceful hands.

For Tozer the deal comes after moves this year to tidy up its involvement in food and Canada. But here too, the strength of the share price has had little to do with trading prospects, as the market ponders the implication of the 5 per cent stake announced in October by Mass Development Company of Bahrain.



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